

TWENTY CENTS

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JUNE 14, 1930

Sales Management

The Weekly Magazine for Marketing Executives



Paul A. Scott

Manager, Eastern Division, Maytag Sales Corporation, Philadelphia

What a Restricted Dealership
Policy Has Done for Maytag



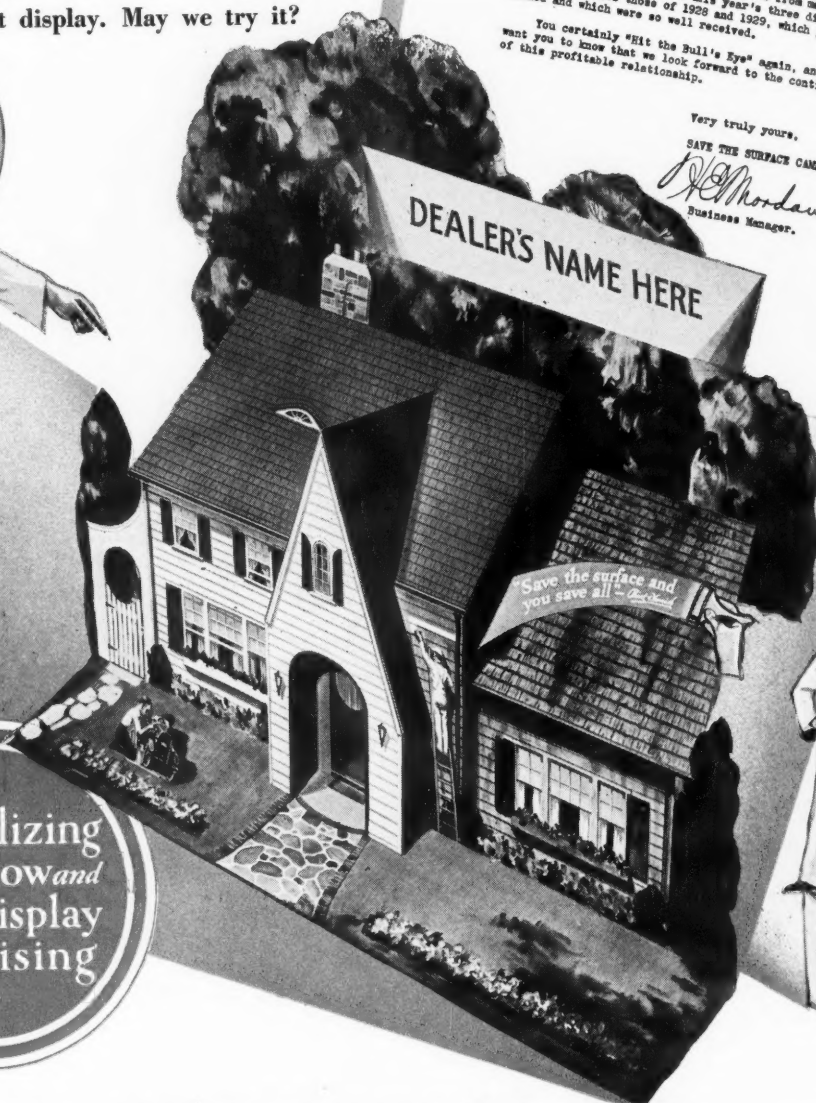
Are Politics Befogging the
Real Facts about the Tariff?

"The Third Dimension"

—a Hit in Window Display

Like scenery on the stage, the more solid, "three-dimensional", a display appears in the window, the more realistic and effective it is. Why?

Because, unlike magazine or newspaper pages, a display has to compete for attention with objects having depth, as well as length and breadth. The unusual success of the "Save the Surface" display shows what this principle could do if applied to your next display. May we try it?



SAVE THE SURFACE CAMPAIGN
Representing the Paint Manufacturers' Allied Industries
10 EAST 41ST STREET
NEW YORK CITY

April 23, 1930.
Mr. Lawrence J. Engel, Vice-Pres.
Einson-Freeman Co., Inc.
511 East 72nd Street
New York City

Dear Mr. Engel:

I know you will be interested to learn that our 1930 window display is going over in great shape. We are receiving many complimentary letters from manufacturing members, saying that this year's three dimension display surpasses those of 1928 and 1929, which you furnished and which were so well received.

You certainly "Hit the Bull's Eye" again, and I want you to know that we look forward to the continuance of this profitable relationship.

Very truly yours,

SAVE THE SURFACE CAMPAIGN

H. E. Mordan
Business Manager.

EINSON-FREEMAN CO., INC.

Lithographers

Inventors and Manufacturers of the Einson-Freeman Patented Double Tier Container

OFFICES AND COMPLETE MANUFACTURING PLANT

511-519 East 72nd Street . New York City

New England Office: 302 Park Square Building, Boston, Mass.

One of a series of advertisements—full pages—metropolitan newspapers—published by PICTORIAL REVIEW in the interests of advertised merchandise



BEWARE OF STRANGERS

"Just as good" is the catch phrase of substitution

STRANGE names are appearing on the shelves and counters where you shop.

They are names you've never seen in the advertising sections of your favorite magazines or your daily newspaper—you will not find them except in certain drug stores or grocery stores, or other stores.

They may lure you with pretty labels or "bargain prices" but always keep in mind that they are unknown, untested brands.

Ask yourself what right these strangers have to your confidence.

With no reputation of their own—

they set up their prices in comparison to products known and advertised everywhere.

With no established quality of their own—they intrude among the articles which have published their quality to the world.

Why should anyone want to buy these strangers? Why should anyone want to sell them in place of something which you instinctively want?

Almost without exception the reason for substitution is a selfish reason which overrides your best interests.

Few women would employ a servant who could show no references.

Demand the credentials of anything you buy.

Advertised merchandise has given you its credentials. The publications in which you read about these articles insist upon knowing that all statements are true. More than this, any manufacturer who seeks your good will through the printed page knows that what he sells must give satisfaction—for even advertising cannot sell an unworthy product twice.

As one of the largest magazines in the United States read primarily by women, PICTORIAL REVIEW believes that these facts deserve every woman's serious attention.

The facts here are presented as mature convictions. They have grown out of a long and cordial relation with manufacturers, merchants, and more than 2,500,000 families whose problems and interests inspire the subject matter of each issue of PICTORIAL REVIEW.

NOTE TO DEALERS

An important fact established by the U. S. Department of Commerce in the recent Louisville Grocery Survey was this: "Net profit showing... is more closely related to turnover than to gross margin." While unknown brands may seem to offer you a wider margin of profit—experience shows that real profits, the profits from volume sales, come from selling articles which the public knows, wants and buys with confidence.

Refuse substitutes; buy the advertised brand every time!

EVERY SALES & ADVERTISING Executive

should have this
HANDBOOK

of helpful information on

TAGS

(Sent Gratis — On Request)



Tags tell your story quickly, clearly, concisely, attractively, convincingly. Tags shout to prospective buyers from crowded counters of competing products "Please look over here a minute". Tags add a cheery "Thank you" to complete deliveries.

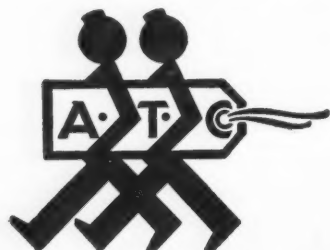
All along the line, from factory processes to final consumers, tags can help you **TELL** and **SELL**.

The American Tag Handbook illustrates and describes scores on scores of everyday, profitable uses for tags—in every business. Get your copy now.

Write Office Nearest You

American Tag Co.

6159 So. State St., CHICAGO, ILL.
115 Sussex Ave., NEWARK, N. J.



Survey of Surveys

BY WALTER MANN

Consumer Analysis of Milwaukee

The ninth consecutive "Consumer Analysis of the Greater Milwaukee Market" is just off the press. Businesslike to the "nth" degree, it eschews all frills and portrays as usual the market data on major products in the trading area about Milwaukee (but this year in a more compact and more usable form). It shows first the number of Greater Milwaukee families using packaged coffee. It goes on to show the leadership of the A. & P. brand "Eight O'Clock," and the second position of Hills Brothers, also describing briefly the use of packaged coffee in this territory. Next we find a table (incorrectly called a chart—there are no charts in this seventy-six-page compendium) showing the number of brands of packaged coffee used by Milwaukee consumers in the past four years (fluctuating decrease from 115 brands in 1927 to 107 in 1930). Next a table showing data on the number and percentage of families using package coffee over the same period (an increase since 1927 from 74,848 to 114,750 families). Next a table giving the percentage of grocers carrying one brand, two brands, three brands, etc. (The largest percentages occur at five and six brands carried). Next similar records on the number of pounds used per family per year. This apparently has not changed from about a pound a week per family—3,422,050 pounds in 1927—5,255,550 in 1930. Finally comes a detailed breakdown showing the comparative use of the twenty leading brands over a similar period.

Similar information is given for bulk tea and coffee, for packaged tea, for coffee substitutes, for seven different kinds or types of breakfast foods (separately) for canned pork and beans, powdered chocolate malted milk, bottled catsup, canned peaches and so on for a total of forty-five different grocery distributed products. Even lawn and plant food rates a report.

Similar checkups are also made for tobacco products and certain types of household equipment, for wearing apparel, drug and toilet articles, automobiles, accessories and supplies, insurance, radio, etc.

The data was based on personal interviews with 8,500 of Greater Milwaukee's 170,000-odd families, which should give a fair cross section. It is free from constant reference to the Milwaukee Journal and the two pages (out of seventy-six) referring to the local standing of that paper seem to leave a much stronger impression on that account.

Moreover, the fact that the study is completed by January 15th of the year in which it is published, gives the Journal's data an authentic "year-ahead" aspect. This indicates better than any further words how much real thought has been put into this study and to the book portraying its findings. No one even faintly interested in the Milwaukee market for his specific product should be without a copy.

"Comparative Price Sales"

What do consumer buyers (both men and women) think of comparative price statements used in retail advertising? Such, for instance, as "regular \$1.95 value—\$1.09," "were \$2—now 85 cents," "at half the usual price," etc., etc.

Are such statements truthful, exaggerated, misleading or just plain false? Are comparative prices helpful or should they be eliminated? What percentage of such advertising in your opinion is true? Do you believe in comparative prices as of certain products and not as of others? If so, which? What would you prefer retail advertising to tell you—the price of the article, its timeliness (seasonableness?), its various possible uses, its comparative price, its fashionableness, or what? How about superlative statements? Etc., etc. These are six of the ten questions recently asked 4,538 of the citizens of Louisville, Kentucky, by its Better Business Bureau. One thousand five hundred and sixteen of the 4,538 were men and 3,022 were women.

Of the 339 people who responded (an extraordinarily small number it would seem for a questionnaire in which the responder's self-interest might so easily be served), 194 were men and 145 women. In other words, nearly 15 per cent of the men answered the questionnaire and less than 5 per cent of the women! This indicates a lack of interest in the authenticity of advertising on the part of women almost bordering on apathy. Certainly this is a problem to be very carefully considered by retail advertisers. Particularly so, since 97 per cent of those who did answer said that the comparative price statements in current newspaper advertising were exaggerated, misleading and false. The men were even more pointed than the women in this statement—on all types of goods. Small wonder, then, that the question of truth in retail advertising was received apathetically by the remainder.

In retail shoe advertising 60 per cent of the responders believed comparative price statements, with the women holding up the percentage with fifty-four "yes's" and twenty-two "no's." The men showed thirty-six "yes's" and thirty-nine "no's." In furs, on the other hand, the women had little belief in comparative prices—twenty-one yes and forty-one no. The men had less—seventeen yes and fifty-seven no. On radio the men were evenly divided, thirty-five-thirty-five—but the women say twenty-five-thirty-five.

Similar reactions are given for gloves, women's wear, piece goods, hosiery, jewelry, musical instruments, electrical appliances, toilet articles, leather goods and tires and accessories.

Each question of the ten asked the responders contains invaluable side comments. All in all, a very interesting piece of work despite the small percentage of return. Sells for \$1.00 through the Better Business Bureau of Louisville, 481 Starks Building, Louisville, Kentucky.

Sales Management

Publication Office:
420 Lexington Ave.
New York. Phone
Lexington 1760



A FIFTY-FIFTY dealer advertising plan through which a concern in the rubber field more than quadrupled its dealer advertising will be reported in next week's issue of SALES MANAGEMENT.

FOOD and clothing manufacturers will be especially interested in the report of a research made recently on budget expenditures in small town homes, which shows that the money which goes for these two items amounts to considerably more than previous estimates had indicated. This study will be summarized in an early issue.

AN industrial concern, makers of a full line of industrial equipment of certain types, found themselves enjoying the reputation, in all of their markets, as being specialists on one item only. Many of their prospects did not know they manufactured more than one product. How they are meeting this problem in promoting the full line will be explained in an exclusive interview with one of the officers of the company in a forthcoming issue.

WHETHER you export, or merely hope to export, a portion of your output, you will be interested in Franklin Johnston's comment on the tariff on page 480 of this issue.

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Cover Photograph by Bachrach

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IMMENSE GAINS SHOWN THROUGHOUT

Ten years ago you thought well of 968,000 people as buyers. But 1930 census returns indicate double that figure. More worth while than ever! Stabilized population; big and little factories; richly profitable agriculture. A 12-month selling area, reached by advertising in NO other way as economically, as surely, as quickly, as through "Florida's Foremost Newspaper."

The Florida Times-Union JACKSONVILLE
FLORIDA

FEDERATED NEWS NOTES

....**RUG PROFITS** (May Issue) broke all records of all issues for advertising.

....**TALKING MACHINE WORLD & RADIO-MUSIC MERCHANT**, the June Issue, featuring the radio trade show, carries nearly double the advertising of any issue for 1930.

....**BUILDING INVESTMENT** as a national magazine devoted to the money interests is making impressive progress. With the current issue (June) it is filing application for its entry under Second Class mailing privilege.

....**MUSIC TRADE REVIEW** The Pre-Convention Issue (June) sets the high water mark for 1930.

....**NOVELTY NEWS** The Silver Anniversary Number (June) breaks all records for volume of advertising.

....**SALES MANAGEMENT**, the weekly magazine for marketing executives, closed May ahead of last year, thereby continuing its unbroken record since the Wall Street Crash of an increase for every month over the previous year.



FEDERATED BUSINESS PUBLICATIONS, Inc.

NEW YORK, 420 Lexington Ave.

CHICAGO, 333 N. Michigan Ave.

Significant News

● ● ● Expressing confidence in the future of American business and industry for the long pull and belief that business depression is about over, John G. Lonsdale, president of the American Bankers Association, told members of the association at their convention in Quebec last week that enactment of the pending tariff bill would be ill-advised on account of its effect on this country's foreign trade.

● ● ● Ford's present daily output of cars and trucks in Detroit is put at 9,200 vehicles, giving employment to 108,890 people. The peak, reached in April, was 9,565 vehicles. A year ago production was 7,500 vehicles, employment 120,000 persons. Ford plants will be shut down the last two weeks in July.

● ● ● Automobiles sold on part-time payments in the first quarter of this year numbered 644,802 and the credit advanced amounted to \$277,494,000, the Department of Commerce reports. In the same period last year, when total sales were much larger, the number sold in this way was 647,485 and the credit \$304,732,000. Obviously the ratio of part-time payment sales was much higher this year than last, and, in view of the lower average price of cars in 1930, was relatively even higher than shows on the surface.

● ● ● Automotive exports in April were not much below those of March, the total being \$37,443,661, 6.3 per cent less than the month before. The loss was almost all in miscellaneous products. Passenger cars accounted for \$25,039,616 compared with \$21,928,386 the month before.

● ● ● Tire manufacturers generally made an average cut of 5 per cent this week on the consumer list prices of their products. The spread between retail and trade prices was somewhat increased, giving the dealers a better working margin, but as their inventories are large this advantage will hardly add to their profits unless sales are extraordinarily large.

● ● ● In some quarters this action is ascribed to the recent break in crude rubber, but well-informed authorities believe it is due to intense competition. Its effect has been demoralizing both to manufacturers and to dealers. The cut comes at a season when demand is urgent and for that reason seems untimely.

● ● ● Phillip Le Boutilier, president of the National Retail Dry Goods Association, is out this week with a spirited criticism of the anti-chain agitation. He says: "The interests of 120,000,000 consumers demand that each form of retailing stand on its own feet, without legislative grant, without special legal privileges, without embargoes against any particular form. Only by free and fair competition can each instrument of retailing grow and continue strong and vigorous."

● ● ● Chain store sales reports for May still show curious discrepancies. Woolworth, for example, sustained

a loss of more than 11 per cent and Kroger a loss of 14 per cent, while Great Atlantic & Pacific Tea gained 7½ per cent, Safeway 5.8 per cent, Penney nearly 3 per cent and Walgreen was up just short of 20 per cent.

● ● ● Sales manuals and routine selling instruction generally were subjected to rather sharp criticism in a statement given out this week by Earl W. Barnhart, specialist in commercial education service of the Federal Board for Vocational Education. He objected especially to the tendency he noticed to submerge or ignore the personal element, which he believes to be of vital importance in many individual cases.

● ● ● Rumors growing out of the failure of Radio of America to file its income statement for the March quarter, though sanctioned by the New York Stock Exchange on account of difficulties incident to recent expansion, called attention to the expectation that the impending second quarter statements are likely to make poor showings. Two things are to be remembered: (1) that first quarter statements were not all bad by any means, and (2) that the statements now awaited are likely to be the last for some time that will tell of marked recessions.

● ● ● Department stores quite generally are showing a disposition to follow the example of the Cincinnati stores in renouncing what are known as profit-killing mid-summer sales.

● ● ● Graham-Paige Motors suffered a net loss of \$489,480 in the March quarter compared with a net income in the same period last year of \$523,641.

● ● ● The Capper-Kelly resale price maintenance bill was brought before the House of Representatives this week under a special rule. This clears the way for action, which it is now believed in Washington may be taken next week.

● ● ● Canada Power & Paper has absorbed Anglo-Canadian Pulp & Paper, thereby forming the largest newsprint producer in the British empire, probably topping even International Paper & Power.

● ● ● The head of a chain of New York hotels is out with a movement for a New York state law to forbid sale of foodstuffs by drug stores on the assumption that there is danger in contact of food with drugs.

● ● ● Western Union estimates of earnings for the second quarter indicate a substantial margin over dividend requirements following the deficit shown in the first quarter. President Carlton ascribes this to "close" management rather than to increased volume. He says nothing about the extraordinary broken cable expense which seemed to account for the decrease in the March quarter.

● ● ● U. S. Steel's unfilled orders on May 31 were 294,993 tons less than in April, less than forecasts; the loss, however, is considerably more than usual at this time of year.

BY
JAMES
TRUE



No one in the Maytag sales organization gets any commission until a consumer sale has actually been completed. This compensation method has been a vital factor in the success of the Maytag plan.

What a Restricted Dealership Policy Has Done for Maytag

A SET-UP that probably differs from that of every other selling organization in the country is only partially responsible for the sale of more than \$95,000,000 worth of washing machines by the Maytag Sales Corporation, of Newton, Iowa, during the past ten years, in the thirteen states controlled by its branch at Philadelphia. Adequate management, of course, has had much to do with this amazing record; but a recent interview with Paul A. Scott, eastern manager for Maytag Sales Corporation, at Philadelphia, soon brought out the fact that set-up, successful management and all other factors of the business are a result of a fundamental point of view radically opposed to many of the conventional selling methods.

In 1919, the year before Mr. Scott took charge of the Philadelphia branch, its sales were about \$450,000.

In 1920 the volume nearly doubled and was obtained through approximately 2,500 dealers. Each succeeding year has shown a satisfactory gain, and in 1926 the volume passed the \$17,000,000 mark, with the num-

In 1920 Maytag had 2,500 dealers in the East. They sold \$900,000 worth of washers. Then the "scrub" dealers were weeded out and sales effort was concentrated on cooperation with the best outlets. Six years later, with only 400 dealers in the same territory, the company's sales volume passed the \$17,000,000 mark.

ber of dealers reduced to only 400—one of the most significant facts disclosed by Mr. Scott.

He was appointed eastern manager of the Maytag Sales Corporation May 1, 1920, and, at that time, as he explained, the washing machine industry was in rather a bad way. For years manufacturers had been selling and distributing their products according to the traditions of the business and were unwilling to change. Apparently, it was generally thought that selling methods had very little relationship to the demand for washing machines; but the Maytag corporation soon proved that it is only by effective selling that a potential demand can be translated into paid-for volume.

"Ten years ago," Mr. Scott continued, "none of the washer manufacturers was doing conspicuously well. We analyzed our markets, which were not the best in the country by any

means, and found that the surface of sales possibilities had been merely scratched. We had a machine that would do the household washing so much better, quicker and more economically than it could be done by hand that it seemed to us to be a necessity. Therefore, we concluded that there was something wrong with the industry's selling methods, and that by improving ours we could uncover a potential demand that could be developed to almost an unlimited extent.

"Because the washing machine business had made slow headway, I concluded that we would have to go outside the industry for ideas and methods. So we discarded all of our old plans and junked our selling methods. Then we spent some time in studying our markets in the light of our final purpose, which is the purpose of every manufacturer—to place merchandise in the hands of satisfied users or consumers.

"The outcome was that we reversed our process of thinking and our methods of merchandising. We realized that the final sale to the user is the only actual sale, so far as we are concerned, for the reason that it is

depend, not on his selling to distributors, but on how rapidly and economically his goods reach the hands of the consumer.

"With the consumer sold in sufficient number, all the steps of distribution will just about take care of themselves. It is a comparatively simple matter to force goods into the warehouses of distributors by means of special inducements, concessions and what not; but when the goods are not acceptable to the consumer the manufacturer eventually finds himself in trouble. It is my conviction that many of our distribution problems are caused by forcing goods into, rather than taking them out of, the channels of distribution, and that the general practice contributes heavily not only to the failure of many individual companies but to business depressions as well.

"At any rate, whatever success we have attained is due, fundamentally, to our acceptance of the final sale of our product as the foundation of our business. We spend most of our thought and energy on building this foundation as strongly as possible, and we find that the other factors of our

fifteen salesmen work under the direction of and with the district managers.

The dealers' stores are the headquarters of the district managers and their crews of salesmen, and the dealer takes a very prominent place in the set-up of the Maytag selling organization. Usually, one dealer is appointed in each of the final working territories; but the dealer's field seems to be limited to his ability and aggressiveness. In one case a dealer has three such territories, with three district managers working with about thirty-six salesmen.

"Probably the most unusual feature of our organization," Mr. Scott continued, "is our method of remunerating the men. Although the final salesmen, or resalesmen as we call them, are under our management, they are paid by our dealers on a commission basis. And our divisional managers, divisional supervisors and district managers, although paid by corporation, receive nothing except commissions on the sales of the resalesmen.

No Pay Until Sold to User

"A manager or a supervisor may take an order from a dealer for one washer or a trainload—it makes no difference how large the order may be—no one in our organization is paid a cent for the business until the goods are finally sold to the user. Furthermore, we do not consider that a sale has been made until the dealer has received a minimum of \$25 as a first payment on a machine by a final purchaser.

"It is necessary to keep every member of our selling organization on his toes, for all of us work in the field. You will notice that my desk and the rug on my office floor look comparatively new. However, they are four years old, and they look new because they have received very little wear. I lead the organization in field work. Out in the territories is where we get results, and the best place in the world to train salesmen is on the firing-line. So all of our men are field men, and since their incentive is their earnings, we keep them continuously reminded of the fact that their remuneration is the direct result of final sales to the housekeeper.

"As an example, we will say that a district manager reports, at the end of the month, that the dealer to whom he is assigned has disposed of forty-five Maytag washers. As soon as the office receives this report, the district manager's commission on the business is credited to him, and credits are also passed on to divisional supervisors

Many a manufacturer has set a spectacular sales record by concentrating on loading up dealers, only to find, a few months after, that he is faced with heavy losses. Dealer stocks are frozen, dealer goodwill is swept away, and his own warehouses are full of unsold merchandise turned out on the basis of geared-up production schedules. The manufacturer whose story is told here has developed a sales plan which, because it begins with the consumer, keeps him out of this particular kind of hot water.

the only sale that fulfills our purpose. And on this principle we have built, not only our form of organization, but also our methods of payment, all of our sales training work, our policy of doing business, every method we employ.

"The great shifts and developments that have taken place in the country's general distribution since then lead us to believe that all manufacturers will eventually agree with us. As it is, the average manufacturer apparently concludes that when he has sold sufficient orders to his distributors to dispose of his output he has fulfilled his purpose. He does not realize that his continuous prosperity and growth

business offer us few serious problems."

In further explaining the sales organization, Mr. Scott said that the corporation's territory is divided into seven divisions, and that each is determined geographically by estimating its share of sales possibilities. These divisions are under the direction of seven managers, and their territories are subdivided into four sections which are directly managed by four divisional supervisors in each case. Then these sections are further broken up into from eight to twelve working territories, each under the care of a district manager. And in every working territory from eight to about

and managers. This method is an effective and constant reminder to our men that the source of their income deserves their best thought."

In the employment of salesmen, Mr. Scott pointed out that the corporation is seemingly handicapped for the reason that few men take up the selling of household specialties until they have failed in other lines of endeavor. However, the organization has worked out a method of training the men that is as unusual and effective as its other activities; but, as Mr. Scott remarked, sales training is a subject for another article which he will give to SALES MANAGEMENT at a later time.

The dealer organization, also, with the details of the corporation's co-operative promotion, is too important for a general discussion. But in the drastic reduction of the number of dealers a principle of the business is involved that has a bearing on the organization set-up and the general policy.

"It is vastly better for a manufacturer to have a few live dealers," Mr.

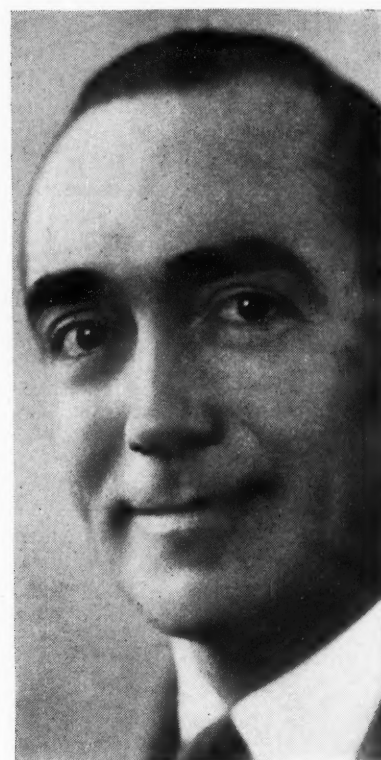
Scott declared, "than an army of indifferent ones. It is significant to note that, back in 1919, when we sold a volume of only about \$450,000 in our territories, we had something like 2,500 dealers. After that year, as we progressed, we rapidly dropped those dealers who did not manifest the characteristics that made our cooperation effective. We began to concentrate our effort in building up the business of dealers who, because of their intelligence, ability and appreciation of our effort, deserved to grow, in our opinion. In 1926, as I have said, we sold over \$17,000,000 worth of Maytag machines through 400 dealers, and now, with an even greater annual volume, we have not appreciably increased the number of our dealers.

"With the development of national advertising, a great many manufacturers arrived at the conviction that, to procure the greatest benefit from their advertising investment they must distribute their goods through as many retail stores as possible. In at-

(Continued on page 498)

ful in a degree that amazed even its originator. All that day and that night until 12:15 o'clock, Racht sat at his telephone "logging" calls as he would radio stations. There were fifty-seven orders on his list when he quit. Since the average sale of a Holland unit is \$350, the total rolled up that day amounted to almost \$20,000. This was *double* any day's business this division had ever had before!

And Racht learned a few things himself from this day's effort. Most



A. B. Racht

One-Day Sales Drive Doubled Volume for Holland Vaporaire

BY EDWARD H. PEARSON

A. B. RACHT, Chicago-Milwaukee divisional sales manager for Holland Vaporaire, deserves credit for what is perhaps the shortest sales drive on record—at any rate, one of the snappiest.

Racht, as he saw September drawing to a close, took the attitude that the calendar ended right then and there. In the language of his announcement to his branches: "There is no to-morrow. Throw up the wall around to-day so high that yesterday will be cut off and so wide that the clamor of to-morrow will never reach your ears."

But Racht's scheme did not begin nor end with simply dictating a "pep" letter to his organization.

Instead he used a letter simply to lay before his men his plan, which was this: "Every man phoning by midnight to-night that he closed a heating plant sale today will receive a mystery prize from yours truly, a prize you will long cherish, because you came through at the zero hour."

Further instructions were: "Keep open house to-night! I know every office assistant will gladly help out to-

night. The Chicago central office will stay open until midnight, until the last job in the division is sold for September. Every time you sell a job to-day or to-night phone the good news to me and reverse the toll charges!

"By midnight I would like to hear from every branch manager and heating engineer in the division. Your call will mean that you have sold a heating plant on the last day of September. If every man will sell one unit today, we can roll up a sales volume for September that will go down in the history of Holland as the greatest September the company and this division has ever experienced."

Racht timed his letter to reach branches on the morning of September 30, last day. In order to give salesmen no excuse for saying that they were obliged to keep the office open themselves, Racht offered the "mystery prize" also to the girls who looked after the office. The condition was that they telephone him from the office sometime between 8 P. M. and midnight to show that they were on the job.

This unique contest proved success-

ful in a degree that amazed even its originator. The drive proved that most selling of Holland units can be done in the evening when the home owners are both at home. Holland salesmen, by the way, develop most of their business from ringing door bells, according to Racht. And one of the factors in his company's success, he believes, is that although these men make from \$10,000 to \$12,000 a year, they are not too good to do the bell-ringing themselves.

Although the prizes in Racht's one-day sales contest cost less than \$100, he made a ceremony of the occasion. The men were gathered together in Chicago and after appropriate speeches, winners were called forward to receive their gifts—an automatic pencil imprinted with the firm name and enclosed in a neat gift box.

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How Far Can Business Legally Go in Lobbying?

This article and the articles which will succeed it are based on information from authoritative sources in Washington, and all the material is exclusive with SALES MANAGEMENT.

BY SPECIAL REPRESENTATIVE

WASHINGTON, D. C., June 14. — Contrary to widespread belief, there is no law against lobbying in Congress. There is nothing to prevent an individual or a group from using any legitimate means, or even methods that may be considered highly questionable, to encourage or prevent Federal legislation. However, there is little doubt that the majority of the members of Congress are determined to curb the activities of professional lobbyists and the rather numerous bureaus and organizations in Washington maintained by various interests for the purpose of influencing legislation.

Unfortunately, the publicity resulting from a bill to require the registration of lobbyists, introduced by Senator Caraway, and his resolution providing for an investigation of the subject, have created many false impressions which have caused some injury to industry. Many manufacturers and others, who came to Washington to attend the recent tariff hearings, were under the impression that they were barred from employing anyone to draft petitions or to explain their problems to members of the committee or other Congressmen. As a result,

What is "legitimate" in lobbying? Or is all lobbying illegal? The Caraway bill requiring the registration of all congressional lobbyists has raised these questions and many others in the minds of business men. This is the first of several articles designed to give the facts in this connection. The articles will show that there is nothing to prevent any individual or group from presenting its case before Congress.

there is little doubt that a great deal of important testimony was not considered because its technical features were not adequately explained.

The present attack started about two years ago, when Senator Caraway introduced his bill to require the registration of all congressional lobbyists. This bill was passed by the Senate, but failed in the House. On April 22, last year, Senator Caraway reintroduced the bill (S. 373), and the only objection to it in both houses appeared to be a lack of accurate information on the subject. The senator then promptly introduced his Senate Resolution (No. 20), empow-

ering and instructing the Senate Committee of the judiciary, or a subcommittee, "to inquire into the activities of these lobbying associations and lobbyists."

The bill defines a lobbyist as one who shall engage, whether for pay or otherwise, to attempt to influence legislation, or to prevent legislation by the National Congress. Lobbying is defined as consisting of any effort to influence the action of Congress upon any matter coming before it, whether it be by distributing literature, appearing before committees of Congress, interviewing, seeking to in-

(Continued on page 500)

THE UNITED STATES DAILY, TUESDAY, MAY 21, 1935

To the Members of the House of Representatives
Gentlemen:

Would you vote to make unemployment worse?
Would you vote to increase wheat or cotton acreage further?
No, of course not. No one would deliberately vote to add to unemployment, or to increase farm overproduction.
Yet, if you vote for the Reece substitute for the Norris Muscle Shoals bill, you will be voting to enforce *additional* overproduction in the nitrogen and fertilizer industries.

Why Try to Force Fertilizer Production by Act of Congress?

Is there a shortage of fertilizer? No.
Are we confronted with an insufficient supply of nitrogen? No.
Are fertilizer prices too high compared with farm products? No.
Are nitrogen prices too high? No.
The Norris resolution, as passed by the Senate, provides for the production of power for a Government corporation, with provision for the use of the surplus power to produce fertilizer.
The House resolution, now before the House, provides for private operation by the Government, with provision for the use of the surplus power to produce fertilizer.
The Senate resolution, as passed by the Senate, provides for the production of power for a Government corporation, with provision for the use of the surplus power to produce fertilizer.
The House resolution, now before the House, provides for private operation by the Government, with provision for the use of the surplus power to produce fertilizer.

THE FERTILIZER INDUSTRY FAVORS PRIVATE OPERATION, BUT THE MERE FACT OF PRIVATE OPERATION DOES NOT JUSTIFY AN UNECONOMIC ENTERPRISE.

THE NATIONAL FERTILIZER ASSOCIATION
Public Relations Committee

Using full pages in Washington newspapers, the National Fertilizer Association is presenting its arguments against the Reece Bill. It is highly probable that paid advertising of this type will soon become of major importance in lobbying campaigns.

What We Can Conclude about the Trend in Commodity Prices

A continuation of the series, "What Price Profitless Sales"

BY RAYMOND BILL

THE continued though gradual decline in commodity prices has given rise in certain quarters to an attitude of pessimism. This seems unjustified by either a study of the history of prices as they relate to prosperity, or the natural logic of what should *normally* be true.

If we assume the *status quo* for labor scales (a current and proper assumption) it is obvious that the strictly normal tendency in commodity prices should be steadily downward due to a constant refinement of production methods and greater efficiency obtained from machinery. One might offhand think this principle applies mostly to manufactured products, but on the contrary there is hardly a type of raw material commodity the production of which has not been materially affected by improved mechanization. To cite just one example, farming as it used to be practiced in the New England states gave way to the machine methods of the Middle West. Nowadays farming is as highly mechanized and science-ized as the manufacturing of shoes.

Sharpest Dips Are Over

In addition to this normal expectation with regard to commodity prices, there also remains the factor of post-war deflation. Statistics clearly indicate we are still in process of getting back to normal, although it is entirely probable that the higher labor scales, as compared with 1913, will make the new normal post-war level somewhat higher than the 69.4 of that year—to use the Irving Fisher index number. The same commodity price index is already down below 88, which means that the major movement in the deflation process is now definitely behind us. The absence of accumulated inventories at the manufacturing and distributing ends, and the fact that in almost all raw material fields the producers are being forced to carry the bag, gives every reasonable assurance that declines in the commodity price index will not from this time forward be precipitate and will

at the most involve relatively few points. The principle of high wages has been so firmly established in America that there is slight possibility of declines in this factor causing further declines in commodity prices, and, of course, any trend toward increasing labor scales (which are now and have been for some time substantially stabilized) would be a forerunner of an increase in commodity prices.

The Consensus of Opinion

A recent checkup by SALES MANAGEMENT among authorities in the banking, economic and statistical fields indicates a general belief that, at the most, commodity prices are not likely under any circumstances to fall below 80, which is about halfway between the average of 1913 and the present average. Personally, we lean to the idea that the present post-war deflation evolution will not take us below 83 (Fisher index). Of course, any radical change in the labor situation will necessarily alter such an opinion, but otherwise it seems as if we have already accomplished deflation practically to the point where high wages properly arrest the downward movement. Just how accurate this prediction may prove, time alone can answer. It would be nice if we could always be sure of being right, but in business, like it or not, decisions have to be made in the light of what we believe today. We cannot procrastinate for the sake of absolute accuracy. We must act on the basis of reasonable accuracy, and at least the history of commodity prices and of post-war deflation movements, plus an analysis of the inventory and labor situations, indicates the soundness of the forecast here made.

The truth right now as SALES MANAGEMENT studies demonstrate is:

(1) Commodity deflation is nearly though not entirely completed.

(2) Many commodities have already reached bottom and some under pressure of overproduction have gone too low. The upward movement on

such commodities will further stabilize the average near the present figure.

(3) The present situation with respect to commodity prices is one warranting optimism instead of pessimism, in that we are now practically on a normal basis, whereas for several years past we have been fooling ourselves with inflated ideas of values which sooner or later had to contract. We are now on sound ground, whereas we have been subject to the whims and whimsy of vicious air currents (representing inflation).

For many years past so many things have happened to upset normal activities that most of the business men of the country have had to learn to deal with abnormal rather than normal conditions. Little wonder then that they should experience a certain amount of difficulty and be beset with a certain amount of doubt and misgiving while acquiring the "modern" technique of dealing with normal conditions and sound values. In other words, normal is still novel.

Speculation Is Subsiding

Of one other thing we may rest very positively assured. There is not likely to be much money made or lost on the short or long side of commodities. There is nothing on the horizon that augurs for any quick upward movements in commodity prices, and virtually all artificial methods of price control, no matter when, where or how undertaken, have failed miserably. The bulls on commodity prices are, therefore, at best playing for a long, slow pull.

On the bear side the outlook is quite the same, for the reason already expressed, namely, that the deflation already effected has brought us nearly, if not actually, to a sound post-war level. To be sure, there may be some cave-ins representing return to normal in those few fields where deflation has still been temporarily arrested. There will also be cases here and there where dips may occur of a distress character, but in such instances there must be rebounds because distress or "squeezed" prices can never

obtain for more than a momentary period.

Perhaps the readers of this article are wondering about what all this discussion has to do with the subject of "What Price Profitless Sales," which has constituted the subject of the current series of articles by the writer. Just this.

Normal price levels for commodities mean a substantial stabilization of commodity prices and of labor scales. These two things, in turn, mean the elimination of the hazards of sharp rises and falls in inventory values, whether in raw materials or manufactured products.

With these hazards now removed and with this stabilization on a normal basis now at hand, American business is facing a situation which is very encouraging to those who believe in and subscribe to the principles of honest effort, honest values and soundly earned rewards as distinguished from the pernicious fruits of speculation and manipulation.

The New Era Dawns

The characteristics of the new era are:

(1) Natural stabilization of prices at normal levels.

(2) Natural stabilization of labor wages at levels assuring excellent per capita volume of national purchasing power.

(3) Dependency of security values on earned income and dividends (or interest) actually paid out.

(4) Tempering of production to avoid price wars and the other evils of overproduction.

(5) Tempering of the merger movement (viz., concentration of capital movement) in all lines, including banking, to enable the earning ability of management to keep pace with the responsibility for *tangible* results thrust upon management.

(6) Subordination of production and financial leadership to sales management leadership on the basis that sales, in whatever volume, must be profitable instead of profitless.

During such an era there is no justification for the inability of management to determine the difference between profitable and profitless sales, and there will be few, if any, incentives to anyone to achieve volume for volume's sake alone.

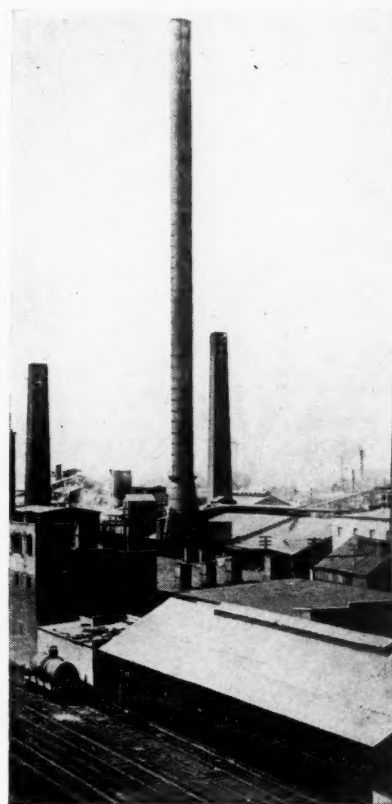
The heyday of what successful sales management has always stood for is here! The speed with which it drives out the fallacious objectives and practices of the last few years will constitute the real answer to how fast we are to progress in nation-wide progress.

History of the Course of Commodity Prices

(As shown by Irving Fisher Index)

	Fisher's index number, revised in 1926, equals 100.
1913 Average	69.8
1923 Average	101.1
1924 Average	98.9
1925 Average	105.2
1926 Average	100.0
1927 Average	94.2
1928 Average	98.2
1929 January	97.4
February	97.7
March	98.3
April	97.1
May	95.9
June	96.9
July	98.5
August	97.3
September	96.0
October	94.4
November	92.7
December	92.8
1929 Average	96.3
1930 January	93.3
February	92.7
March	90.8
April	90.6
May 1st week	89.7
2d week	89.0
3d week	88.7
4th week	88.4
5th week	87.8
May average	88.6
June 1st week	87.6

(Copyright, 1930, by Irving Fisher)



perity. The gospel of "adequate percentage profit on every dollar of sale and adequate percentage of profit on every dollar of capital invested" has assumed an importance which not

even the biggest giants of industry, politics or finance can afford to scoff at. Once more the means to the end (success) has swung back to the point of safety and sanity.

"Ceaseless Advertising" Is Urged by Roger Babson

"Ceaseless advertising" is necessary for American manufacturers and retailers to sell their products to the 7,000 new customers which represent the daily population increase of the country, Roger W. Babson, economist, said at Boston this week. This growth means a new national market of 2,500,000 prospective customers yearly, he continued, and to them "advertising is real news."

"We are not talking to a stationary audience, but to a passing procession. To each new rank advertising is real news."

"Therefore, although advertising is measurable by statistics, it is essentially not static, but dynamic. Figures show that a period of good business is marked by enlarged advertising, and that a period of poor business is marked by curtailed advertising. Business is closely similar to a tri-engined airplane, one of the engines is advertising; another is personal salesmanship, and the third is the mere motive force of primitive needs. When you kill the advertising engine the business craft can neither speed nor climb."



In spite of all the talk about tariff and declining exports, all but a few lines show increases. India still is an inviting market for American products. © Ewing Galloway

Are Politics Befogging the Real Facts about the Tariff?

ON my return from Mexico, where I did not hear our proposed new tariff mentioned once by importers, I find the entire country all hot and bothered by the present tariff agitation.

Although I am in sympathy with the economists and manufacturers who have been agitating against the passage of the new tariff, and hope that the bill will be killed, yet the antis are as inaccurate in some of their claims as are the pros. A plague on both your houses!

The decrease in our exports this year is not due to tariff reprisals.

Besides, that decrease is very misleading until you analyze it.

Exports of finished manufactures so far this year, other than automotive lines, are only 5 per cent behind the record-breaking figures of 1929, and are actually 8 per cent ahead of 1928. That's how bad export business is.

Furthermore, in several lines, particularly radio, and to several countries, notably Mexico, our exports have actually increased over last year.

The automobile slump is in a class by itself in more ways than one. And it is due more to conditions in the automobile industry than to conditions in world trade.

Although our exports so far this year have fallen off 20 per cent, this falling off is almost exclusively in raw materials or semi-manufactured materials, with the sole exception of automotive lines.

For the three months ending March 30 exports fell off \$286,000,000, but note what that falling off was comprised of:

The decline in exports this year is not due to tariff reprisals, as many would have us believe, says this authority on overseas selling. Mr. Johnston bases his analysis on an intimate knowledge of export statistics, and on a just-completed first-hand investigation of some of our important markets abroad.

BY FRANKLIN JOHNSTON

Publisher, The American Exporter, and Associate Editor, SALES MANAGEMENT

Animal fats and oils....	\$ 6,000,000
Grains and fodders....	31,000,000
Fruits and nuts	18,000,000
Naval stores	7,000,000
Raw cotton	54,000,000
Copper	45,000,000
Automobiles, etc.	84,000,000

Total\$245,000,000

Leaving a net loss of only \$41,000,000 in the remaining \$811,000,000 of general exports, or 5 per cent.

Incidentally, even automobile exports have increased to certain markets, and at least one item in automobile exports has increased, namely, heavy trucks.

The decreased export value is not only chiefly in raw and semi-raw materials but is due largely to lower commodity prices. There is no relation between the present world-wide readjustment of commodity prices and the tariff controversy.

As a significant sidelight on the

chief reason for the decrease in exports, namely the raw commodity price slump, it is interesting to note that after the price of copper, which had been artificially kept up, was re-adjusted to present conditions, our exports of copper for the month of May broke all previous records for that month.

If the tariff becomes a law it may be that certain countries will retaliate, but they have not done so yet and, personally, I think that predictions along that line should be subject to a discount of not less than ninety and ten off. The same gloomy predictions were made in 1922 and our export trade grew to new high levels, instead of falling off; grew 20 per cent in two years, and 33 per cent in three.

In the first three months of 1930 exports of finished manufactures represented 51.8 per cent of our total ex-

(Continued on page 499)

Speaking of advertising rate policies

IN the interest of an equitable rate policy, The Indianapolis News, years ago, established a fixed and fair definition of retail (local) and general (national) advertising as applied to its own columns. Year in and year out this practical policy has been maintained completely and consistently.

EACH advertiser in The Indianapolis News secures every advantage available to any other advertiser under similar circumstances. It is unnecessary to bargain with The News in order to receive the full measure of fair consideration and service.



The
INDIANAPOLIS NEWS
sells The Indianapolis Radius
Member of the 100,000 group of American cities

New York: DAN A. CARROLL
110 East 42nd St.

DON BRIDGE
Advertising Director

Chicago: J. E. LUTZ
Lake Michigan Bldg.

"Spot" Versus National Chain Broadcasting

"I AM very much interested in the merits of the two radio systems, spot broadcasting and national hook-up, as a member of an advertising committee for a national association now engaged in a radio and general magazine publicity program. Will you kindly outline the advantages of both of these?" writes R. W. Denman, director of advertising, Troy Laundry Machinery Company, New York City. Since Mr. Denman's question is of general interest, with his permission we are publishing our answer to him.

Spot broadcasting is increasing. Those who favor it say it has these advantages:

It is selective, since stations can be chosen for coverage of a definite area. Statistics show that 500-watt stations have a serviceable radius of twenty-five miles. A 5,000-watt station, a 100-mile radius and, under favorable conditions, its radius is frequently hundreds of miles. Therefore, a manufacturer desiring to reach a particular locality may spot his radio broadcasting much as he spots his newspaper advertising. For instance, despite the signal strength of station WBBM which can be heard far out of Chicago, this station on analysis

of its mail shows by far the largest majority of listeners are in that city. WBBM serves Chicago thoroughly and should be used for this purpose only. That this station might reach beyond a radius of fifty miles should be considered velvet by the advertisers. This situation is parallel to that of a New York newspaper which, in addition to covering the metropolitan area, has a large, almost national circulation for its Sunday edition. The manufacturer who wants to cover New York uses this paper for its coverage of the metropolitan area primarily. The fact that almost 100,000 copies of the Sunday edition of this paper go all over the country is an added advantage and not a primary consideration.

Another advantage of spot broadcasting is that of overlapping or a repetition. Assuming, for instance, that a manufacturer was broadcasting from Chicago one night. To make sure the program went over, the advertiser on the following night or on a different time in the week would spot the same program from stations in Detroit and Cincinnati. The primary purpose of this broadcasting would be to reach Detroit and Cincinnati, but in addition the advertiser

would cull many listeners from Chicago and the area between.

The selection of broadcasting time is becoming more and more important and here again, spot broadcasting has the jump on a national-hook-up. Advertisers are beginning to find that the volume of inquiries for any program, other factors being equal, depends largely upon this program's relation to the most popular feature on the air at the time. As everyone knows, the American Telephone and Telegraph Company reports a drop in the number of telephone messages while Amos 'n' Andy are broadcasting. One manufacturer has taken advantage of this radio attention by buying time at any station that would give him the period either before or directly after Amos 'n' Andy. Two stations at which he has already been able to obtain this time yield as high as 3,000 inquiries a week for each station. Some exponents of this system say that stations, like newspapers, have types of audiences and that with the spot method it is possible to pick the listeners qualitatively.

The adoption of Western Electric equipment in many stations has brought about a standardization that will permit an advertiser who runs his program on records to secure uniform tonal quality practically throughout the United States.

The advantages of network broadcasting are better known. The networks have studied their audiences and offer a great deal of help to the manufacturer in the selection of time, type of program, etc. In broadcasting



Spot broadcast advertising has one distinct advantage in common with newspaper advertising—it can be localized. The stack of radio mail at the left is an incident in one of the first campaigns put on by the Nebraska Buick Auto Company, auto distributors for several mid-western states.

NEW.....

FOR EXECUTIVES...

"THE SOUTHWEST MARKET"



EXECUTIVE interest in the Southwest mounts daily, throughout the structure of American Business. Some are tempted by the size and richness of the Southwest market area of Texas, Oklahoma, Arkansas and Louisiana. Others are attracted by Southwestern raw material and fuel resources. Still others are primarily interested in the untapped reservoir of intelligent labor. Frequently all of these factors are of interest to the executive. And there is a definite swing to Dallas—geographic and economic center of the Southwest Market. American Business has chosen Dallas as Southwestern Headquarters.

We have prepared for business executives a new 160-page book of facts—"The Southwest Market"—which is just off the press. This book gives the latest available information on Southwestern sales and manufacturing opportunities. It presents to executives quickly and concisely the facts that are needed in considering expansion in this rich and growing territory. It will have the respectful attention of every executive to whom it is sent. As an executive, you are invited to send for this new book. Write on your business letterhead, or mail the coupon now. All inquiries held in strict confidence.

TWO THOUSAND one hundred and forty national and sectional concerns maintain sales, distribution or manufacturing branches in Dallas. Two hundred and thirty of these concerns came to Dallas in 1929; one hundred and twenty-five have established branches in Dallas since January 1, 1930. Our new book gives the facts on which executives of these concerns have chosen Dallas. Be sure to send for your copy now.



Dallas

*Southwestern Headquarters
to American Business*

EXECUTIVE COUPON

Industrial Dallas, Inc.
500 Chamber of Commerce Bldg., Dallas.
Please send free copy of your new book, "The Southwest Market," to:

Name _____

Title _____

Company _____

Address _____

over networks there is prestige. Scott Howe Bowen, a competitor of the network method of broadcasting, has attributed to the large networks companies much of the growth of the industry. He says that the reason for the prestige of the networks is that they have contributed much in their own programs in the way of broadcasting public events of importance and anything else of this type that draws attention to the radio as a news or entertainment medium. This same critic feels that spot broadcasting will never take the place of network broadcasting but will serve as a supplementary medium, or as a locality medium, if advertisers' requirements are such.

There are two technical faults in network broadcasting. The first of these is its inability to transmit over land telegraph wires a broadcast as perfect as it is with key stations in the network. This is true because it is beyond the control of the telegraph company or the broadcasting company. Storms and electrical disturbances in Omaha, for instance, may disturb the impulse going over the telegraph wires so that the station broadcasting in good weather at San Francisco will suffer.

The second fault is that the telegraph lines transmit an impulse within a range of 60 cycles up to 4,000. Record broadcasting will handle frequencies from as low as 35 cycles to as high as 10,000. Broadcasting from records is really delayed transmission or putting the voice or music

in storage. Thus its wide range of frequencies permits low and high notes that give added color and life to music.

So far, the largest programs of the most prominent advertisers have been going over the network system. Interesting results have been achieved with spot broadcasting. In three weeks, broadcasting in New York with the help of Alfred McCann, food expert, the American Molasses Company achieved distribution with 4,500 retailers for a new non-sulphur molasses.

Dr. Straska's Toothpaste, broadcasting for eight weeks every day with a "Thirty Minutes of Sunshine" piano monologue to reach 220,000 families in Cleveland, got them to write into the station for 150,000 samples and go to their druggist for 100,000 samples more. During this broadcast 350 gross were sold in one chain drug store system alone.

Tasteyeast in four weeks broadcasting with Uncle Don over WOR distributed 40,000 samples. Many dealer orders came in by mail. At present, broadcasting over a Springfield station is bringing over 3,000 letters a week. The results of this advertising have reduced sampling and inquiry costs to below ten cents.

Bulova Watches have secured a 40 per cent sales increase in one year through time signal spot broadcasting. The original appropriation of \$50,000 was three months later increased to \$200,000 and is now up to about \$400,000 a year.

with the authority of complete knowledge. As commercial attorney for a business whose conditional sales run into millions of dollars annually; member of Massachusetts, Wisconsin and Federal Bars, and assistant attorney general of Massachusetts, he had ample opportunity to study the subject from all angles.

The book delves into every phase of conditional sales. The Uniform Conditional Sales Act and the Uniform Sales Act now in use in a number of states are lucidly explained. The protection afforded to instalment sellers in states in which these Acts are in use is described and in a special chapter the success of these statutes in effecting uniformity of law is emphasized.

The volume is so broad in scope that it is impossible to give more than mere mention to the numerous subjects covered. Suffice to mention briefly and in a broad way some of the factors considered.

The opening chapter outlines the interpretations of instalment sales transactions in different sections of the country and describes the legal devices resorted to for their protection.

Law and practice governing execution of the contract, filing and recording, rights of third parties, liens, renewals, goods for resale, foreclosure and the criminal code in various states are considered. Effect on sales and collections of various laws in different states is discussed. It is interesting to note that while the law governing conditional sales may be the same in two states, interpretation of the law may be entirely different. Ignorance of these differences of interpretation may, and very often are, costly. The author also points out, state by state, the pitfalls which exist and shows how they may be avoided.

Retail Problems Solved in New Harper Volume

"Store Management for Profit," by Willis O. Derby (163 pp., Harper & Bros., \$3.00), is an invaluable book for the retailer, and, therefore, for sales executives who are endeavoring to cooperate with their dealer customers. It is really a textbook on retail merchandising, packed with vital information of a most practical character. "... a simple, easily understood explanation and solution of some of the more common problems very frequently found to exist in the retail store," says the foreword, and the work bears out this statement.

The author delves into everything pertaining to retailing, from an analysis of the merchant himself to a study of such important factors as sales records, inventory, turnover, mark-ups, mark-downs, costs, etc., and the points developed are plentifully illustrated in a way most easily understood. Although the explanations, systems and forms are used in the men's wear business, the points brought out and suggestions made are universal and apply to every business.

This volume fills a real need in the retail merchandising field for several reasons: First, because the records of business failures show that lack of experience, or lack of knowledge, stands high as a reason for bankruptcy; second, because the book presents what in reality amounts to a course in retail merchandising in non-technical language that even the most inexperienced retailer can comprehend; third, because the author has wisely refrained from long theoretical dissertations and has confined his writing to practical discussion of vital problems and provides practical solutions for them.

Sales Management Bookshelf

Instalment Selling and the Law

There has long been a real need for some guide for firms doing business on the instalment plan. Selling merchandise via the conditional sales contract has become so widespread and there is such lack of uniformity in the laws governing this phase of doing business that not only is there confusion, but ignorance of the different laws in various states and, in many instances, even counties and cities, often results in serious loss.

A hint of this chaotic condition is indicated by a few differences in statutes of several states selected at random from many. For example: In New York a garageman's lien is by statute superior to a properly filed and recorded conditional sale; a landlord's lien for any year has precedence over any conditional sales filed during that year in Texas; in Louisiana a contract of conditional sale is not en-

forceable, even against the buyer; conditional sales are loans in Florida and Mississippi and also in Florida, acknowledgement, seal and witnesses are necessary for both parties to a conditional sale contract; to ignore the demand of a vendee for a release on discharge of his contract, even if fraudulent, may result in a heavy fine in Alabama, ad infinitum.

It is vital that firms utilizing the conditional sales plan know their rights and the rights of those with whom they do business in various localities.

"Conditional Sales," by Roger Sherman Hoar (The Ronald Press, \$10.00), provides the information. It is a book the value of which is difficult to estimate. It should be in the hands of every executive interested in this phase of selling, as well as those who contemplate doing an instalment business. Financial executives, salesmen, credit men and bankers will find the volume useful and of great practical value.

Mr. Hoar has had an unusual opportunity to know his subject and he writes



You are invited
to an "At Home Party" -
seven days a week

AS a national advertiser, you want to have your message read *in the home*.

With this in mind we invite you to attend an "at home party" which lasts seven days a week, 365 days a year, and includes entrée into thousands of homes in the rich Boston Trading Area.

You will be introduced by the Boston Globe. Your hosts will be extremely worth-while Boston people who use their newspaper as a buying guide . . . who favor its advertisers . . . who read it *at home*.

Few daily papers can so definitely establish their home strength as can the Boston Globe. Yet, strangely enough, this proof is based on *Sunday* circulation figures.

A detailed comparison of *daily* cir-

culations in Boston tells little, because evening-paper sales cannot be traced to their destinations. Two papers sell space only on a morning and evening combination basis, thus the circulation statement gives no information regarding the thousands of evening papers bought in corporate Boston each day by *suburban* residents.

On Sunday, however, when every paper is a "home paper," the story is different.

Three papers carry the bulk of advertising in Boston. Each publishes a Sunday edition.

One loses 20% of its daily circulation in the Boston Trading Area. Another loses 53%.

The third, the Globe, has practically

the same circulation on Sunday as it does the remainder of the week. Here, then, is a "home paper" seven days a week.

A Household Department established 35 years ago as the first woman's page in America . . . largest volume of local news . . . complete school and church news . . . more department-store advertising, daily and Sunday, than any other Boston paper . . . these are some of the features that make Globe readers "at home" to national advertisers.

The whole Boston newspaper situation is analyzed in a booklet, "Reaching Buying Power in the Boston Market." Write for a free copy.

THE BOSTON GLOBE



Bill Frey, well-known racer, pilots an Aquaflyer about Florida waters—adding three points of human interest for the benefit of the advertisement the photograph will adorn.

Motor Car Sales Policies Boom Johnson Boat Business in 1930

WHEN the Johnson Motor Company, Waukegan, Illinois, formerly manufacturers of outboard motors only, decided to add the "wagon to the horse," in other words, build a boat to fit the motor, they were faced with an entirely new sales problem, which called for a complete reorganization of their merchandising and advertising plans.

How successful they were in this endeavor is shown by the fact that domestic sales of Sea-Horse motors for delivery by May 1, 1930, totaled approximately the number of motors that were shipped for the entire year of 1929. What the total "plus" business over last year reaches will be determined to some extent, of course, by the weather and dealers' reorders to distributors.

Prior to 1930, Johnson motors were sold direct to dealers by the Johnson sales force. However, in the summer of 1929 it was decided to change the method to one of distributorships, similar to that prevailing in the radio business. In Canada the policy of selling to dealers direct was maintained as the more logical policy. Distributors were appointed throughout the United States and given exclusive territory. Their salesmen, in turn, assisted by Johnson field supervisors, contacted local dealers to underwrite their quotas for each territory.

BY L. M. COLE

The Johnson Motor Company in former years started manufacturing their new models about February 1, gradually building up quantity production. By that method, when May 15 arrived, they always found themselves with an insufficient number of motors to meet public demand and hence lost sales to competition.

The problem was one of capitalizing on public preference for Sea-Horse motors by making timely deliveries.

Under the distributor plan the Johnson Motor Company is able to spread its production over a longer period by placing motors in distributors' hands well before May 1. Distributors, in turn, by closer contact with the retailer, obtain a greater proportion of early deliveries, thus placing the dealer in a position to capitalize to the full on public demand at the moment when favorable weather brings it to its height.

The distributor plan also made possible better service to the boat dealers and the public by providing bulk stocks of service parts at each distributing point.

Forty-one domestic territorial distributors were appointed. They and their salesmen met at the Johnson factory and were put through a ten days' schooling.

Shortly thereafter the Johnson Company increased its line to include boats to match, something entirely new in the industry. Previously boats had been made by one manufacturer and motors by another. Each worked independently. Neither knew what the forthcoming models of the other would be like. Johnson conceived the idea that by completely matched units—motors and boats—built together, the utmost in performance could be attained.

The addition of the boats added enormously to the value of the Johnson distributorship and also to the value of the Johnson franchise. In former years factory production was scheduled only on estimates. Under the new plan the company was able to schedule in accordance with advance orders from distributors, as in the automobile business.

This plan has proved highly beneficial to both factory and dealers. The Johnson company obtains better dealers, because the dealers are selling on a quota basis and their opportunity for sales is greatly increased by the boat lines. By proper scheduling of factory production, cost savings are made possible which have been passed on to the distributor, dealer and consumer in the form of mechanical improvements in the motor itself.

A more efficient advertising pro-
(Continued on page 502)

This is the NEW Bulletin Type designed primarily for sales and advertising work now available on REMINGTON PORTABLES

Does your Accounting Department hand you figures on large sheets?

Do you carry with you on field trips facts and findings with which to talk to your men? Do you like to have your data and figures in the most compact, legible form? If your answer is "yes" to one or all these questions -- you need a Remington Portable with a Miniature Gothic Type Keyboard in your office ...

This is an actual sample ...

Three sales managers bought machines with this large Bulletin type, which we call Magnatype, right out of the window at the first showing in one of our branches lately.

One uses his to put variety in sales bulletins; one for a different way of announcing price and item changes to his dealers; the third for inter-organization notices and sales contest bulletins . . . Other progressive sales managers are using this unusual type for proposals, chart headings, indexing, manual sheets . . . wherever an enlarged, extra-legible message is desired or added emphasis needed . . . Advertising agencies use it to "dress up" presentations . . . to "add a touch" to layouts . . . for emphasis and color in reports and surveys.

The best way for you to discover the many uses you'll have for a Bulletin Type machine is actually to try one in your own office. Take advantage of our five-day trial offer . . . without obligation. Send the coupon *Today*.

Chemical, Engineering, Technical and Literary Keyboards as well as almost every foreign language are available on the Remington Portable. You'll be interested in the catalog.

Typewriter Division

Remington Rand
BUSINESS SERVICE
BUFFALO, NEW YORK

Typewriter Division
Remington Rand Business Service,
Remington Rand Bldg., Buffalo, N. Y.

I'll take advantage of your Five Day Trial Offer to try a Remington Portable equipped with Magnatype. I understand this implies no obligation.

Name _____ Firm _____

Address _____ City _____ State _____

S. M.—6

Sales Managers' Association NEWS

This department, devoted to association news, appears often in SALES MANAGEMENT. Believing that the various groups of sales executives will find the activities of clubs all over the country of considerable interest, club presidents are requested to send reports of meetings and other news to this magazine regularly.

Found: A Sales Club and a New Member

SALES MANAGEMENT has helped one sales executive find an association. He is Herbert A. Nieman, sales manager of the National Art Works, Covington, Kentucky, whom the Sales Executive Council of Cincinnati will seek as a member. Mr. Nieman wrote to us asking if there was an association in his territory and we referred him to Lawrence O. Gordon, secretary of the Cincinnati group.

The Cincinnati council held an election of new members yesterday. Officers will be announced at a later date. This association is made up of representatives from 200 companies in the Cincinnati territory.

Visitors Invited to Attend Pittsburgh Meetings

The Sales Managers Club of Pittsburgh meets each Monday at noon at the William Penn Hotel and SALES MANAGEMENT has been asked to broadcast an invitation to the weekly meeting to any sales executives visiting in Pittsburgh.

Officers of the club are: A. L. Hatzenback, president and sales manager, Suburban Electric Company, president; L. S. Roberts, National Cash Register Company, and H. R. Baker, S. W. Straus & Company, vice-presidents; J. F. McLean, W. H. McLean Company, treasurer, and L. A. Snyder, William G. Johnston Company, secretary.

Films and Letters Interest Fort Worth Club

The use of motion picture advertising was the topic discussed by C. C. Johnson, advertising manager, Universal Mills, at a recent meeting of the Fort Worth Sales Managers Club. Mr. Johnson illustrated his address with a display of films made for sales work. Another recent speaker is Earl Racey, of Dallas, who spoke on "Letters that Sell."

The Fort Worth club recently wel-

comed six new members into the association. They are: O. B. Sellers, Seller's Supply Company; W. D. Estes, Standard Sanitary Manufacturing Company; Ted Hunt, Nehi Bottling Company; L. J. Cheshire, Motor Parts Station; H. V. Shank, DuBose, Rutledge & Miller Company, and John A. Guffee.

W. B. Brown, Fort Worth Well Machinery Company, is president and H. N. Fisch, of H. J. Justin & Sons, is secretary of the Fort Worth association.

We Make Our Bow to Rochester and St. Louis

We thank the Rochester club and the St. Louis Sales Managers Bureau for their bouquets to our new Association News page. "Your treatment of our last meeting in the May 24 issue was particularly effective," writes William A. Burdick, of the Rochester organization. And a paragraph is devoted to our new feature in the *Sales Managers Bureau Bulletin* of the St. Louis club.

Fort Worth Club Asks Information Exchange

The Fort Worth Sales Managers Club, through its vice-president, Carl Wollner, president of the Panther Oil & Greasing Manufacturing Company, has asked SALES MANAGEMENT for a list of officials of other associations, with whom the Fort Worth club desires to exchange information. We are compiling a list to be sent to Mr. Wollner and others interested.

To Cover Sales Problems in Summer Meetings

The first of a series of fourteen weeks' round-table discussions was held yesterday by the St. Louis Sales Managers Bureau. It is hoped to cover most of the common problems of sales management during these summer meetings, according to A. G. Mungenast, editor of the *Sales Managers Bureau Bulletin*.

Rochester Hears "Sales Tunes from House Organs"

Round-table discussions will be held once a month during the summer by the Rochester Sales Managers Club, according to William A. Burdick, secretary. These discussions, the first of which took place last Friday, will deal with problems of sales management, brought up by members of the club.

"Sales Tunes from House Organs" was the topic discussed by Edward Harrison, advertising manager, the Rochester Packing Company, at the last meeting of the club. Round-table discussion will continue through June, July and August.

Hi Martin, St. Louis President, Is Honored

The annual meeting of the St. Louis Sales Managers Bureau of St. Louis was held last Friday. Officers elected at this meeting will be announced in a later issue.

The meeting was dedicated to Hi Martin, president of the club for the past year, and was made up of entertaining features, arranged by Charles E. Michel, vice-president, and Ed Holmes, chairman of the entertainment committee.

Rice-Stix Ad Manager Addresses Quincy Merchants

Among members of the St. Louis Sales Managers Bureau who have helped spread good will for their trade territory is Sidney Carter, advertising manager, Rice-Stix Dry Goods Company, who recently addressed the Merchants Council of the Quincy (Illinois) Chamber of Commerce.

Sixty St. Louis Members Make Trade Trip

Forty lines of business were represented by the sixty members of the St. Louis Sales Managers Bureau who recently went on a one-day trade trip to several Missouri towns near to St. Louis.

Associated Gas Markets 13,700 Refrigerators in Six Weeks' Drive

Thirteen thousand seven hundred refrigerators, the equivalent of 230 carloads, valued at \$3,500,000, were sold by Associated Gas & Electric Company System in a recent six-weeks drive, said to be the largest single campaign ever conducted by any public utility system in the United States. Incidentally, the volume was larger than the System's aggregate sales for these products in the entire year of 1929.

Inaugurating the campaign, the System established a quota of a little more than 1 per cent of the total residential customers on each of its lines. This quota, totaling 6,447 refrigerators, was apportioned among the various divisions. Total sales, however, amounting to 213 per cent of the quota—while one subsidiary, in the South, sold more than 600 per cent, and three more than 400.

The program was reinforced by an intensive newspaper advertising campaign and the results announced through that medium.

Candy Makers Double Advertising Budget

One hundred per cent increase in the advertising appropriation of the National Confectioners' Association was decided upon at Chicago last week. The 1931 budget will total at least \$300,000—being devoted not so much to defending candy, as at present, George H. Williamson, chairman of the association's advertising and educational committee, pointed out, as emphasizing its part in the daily diet. Per capita consumption of candy was thirteen pounds in 1929, R. L. Purdon, United States foodstuffs division, Washington, said. This was an increase of 9.2 per cent over 1928 and a high record for all time.

Receiver for Page & Shaw

Page & Shaw, Inc., Boston candy manufacturer, was placed in receivership this week as a result of a bill in equity by a minority stockholder, James R. Murdock, who seeks to recover \$1,000,000 allegedly paid as bonus in a stock deal now under investigation by the courts. Hugh D. McLellan, Boston attorney, is receiver.

The California Prune Institute, comprising growers and distributors, has just announced that an "intensive advertising campaign" will be launched soon to increase the consumption of those products. Frank N. Abernathy, San Francisco, is chairman of the executive committee.

Wings, New Cigarette, Enters 15-Cent Field

The "fifteen-cent group" which does about 90 per cent of the cigarette business of the United States, gained a new member this week with the launching of an advertising campaign at Chicago by Brown & Williamson Tobacco Corporation, Louisville, for its new Wings cigarette. In addition to being "air-cooled," the new cigarette appears in a twin-ten package—two packets of ten wrapped together in an outer covering.

Nashua Manufacturing to Direct Own Sales

Nashua Manufacturing Company will sell direct to the trade, instead of through the sales agency of Amory, Browne & Company, beginning October 1. The mill will have its own sales office in New York under Charles V. Ryer, sales manager.

Robert Amory will continue as treasurer and chief executive of the Nashua company, and on September 30, Mr. Amory, Walter C. Baylies, both directors, and Lincoln Baylies, will retire from Amory, Browne.

Agry Heads Advertising for Good Housekeeping

Warren G. Agry, with International Magazine Company since 1927 and recently advertising manager of *Cosmopolitan*, has been appointed advertising manager of *Good Housekeeping* of that group.

John R. Buckley is now Eastern advertising manager of *Cosmopolitan*. He has been on the staff of that publication for two and one-half years and was formerly in charge of sales and advertising for Beaver Products Company, Inc.

A. N. P. A. Transfers Burn

Walter P. Burn, Pacific Coast manager, Bureau of Advertising, American Newspaper Publishers' Association, will be transferred to New York headquarters about August 1. The San Francisco office will be closed next month, but Mr. Burn, and other members of the bureau's staff, will keep in touch with Western accounts by visiting the Coast periodically.

Butter packed in glass jars with a screw top has just been placed on the market by the Nu-Butter Corporation of Chicago. The selling argument is that butter so packed does not absorb food odors in the refrigerator.

98 Window Display Houses May Join; \$2,000,000 Sales

Window Advertising, Inc., New York City, announced this week plans for acquisition of an interest in ninety-eight window display houses in all parts of the country through an exchange of stock. Aggregate annual business of these houses, for which Window Advertising, Inc., now functions as national sales agent, is approximately \$2,000,000. The plan will go into effect July 1.

Seven of the largest houses, with an annual business of \$500,000, have already approved, and the others are expected to join soon, Frederick Wertz, head of Window Advertising, Inc., said. The plan was outlined by Mr. Wertz at a meeting in New York last week attended by Sol Fisher, Fisher Display Service, Chicago; R. V. Wayne, Detroit Window Display Service, Detroit; E. P. Browder, Windowcraft Display Company, Buffalo; A. M. Wagner, Wagner Display Service, Minneapolis; Walter G. Vosler, Cincinnati Display Service, Cincinnati; Melvin Meyers, Meyers Display Service, Louisville; and R. S. Rileigh, Rileigh Display Service, Kingston, Pennsylvania.

Jewel Will Acquire Van Camp Company

Jewel Tea Company, Barrington, Illinois, will acquire the Van Camp Packing Company of Indianapolis, executives of the Jewel company announced this week. It is understood that Van Camp will issue \$2,500,000 in preferred stock, all of which will be taken by Jewel.

The name of the Van Camp Packing Company, widely known in connection with food products, will continue to be used on its products.

Jewel Tea operates in nearly every large city in the United States. It imports tea, coffee, spices and other products. Its retail operations principally are by wagons. Cities are divided into 1,300 routes and wagons cover these routes weekly, selling a variety of products.

Cities Service Expands

Three hundred new retail outlets for its oil products in New York State, the Middlewest and Rocky Mountain territories have been added by Cities Service Company, New York, since the first of the year, Henry L. Doherty & Company, fiscal agent, announced this week. Many of the new stations are in the territory served by the new East Chicago refinery.

New York Electrical Industry "Merges" Its Sales Efforts

To inform executives of the 27,000 manufacturing plants in the New York metropolitan area of the costliness of obsolete equipment, the Electrical Association of New York, Inc., has inaugurated a cooperative research, sales and advertising program.

The association found that electrical manufacturers' salesmen can contact only about 15 per cent of industrial prospects and that electrical jobbers who sell contractors were likewise unable to keep their prospects fully informed of improvements which new inventions are making possible. As a result of careful study of every phase of the problem, an "Electrical Modernization of Industries" plan was put into effect.

Before the campaign was started fifty electrical engineers collaborated to insure the practicability of the plan. A handbook was prepared on standard electrical products—divided into twelve sections: illumination, industrial control, industrial heating, material handling, motors, refrigeration, signals, signs, switchboards and panels, tools, ventilation and wiring. Manufacturers of each kind of equipment combined in respective committee meetings to determine the facts that should be mentioned. No trade names are mentioned.

Inaugurating the campaign, the association used half-page advertisements in five metropolitan dailies, headed "A Message to the Manufacturing Executives of New York." The advertisements were couponed and men-

tioned that a "representative of the committee will come and check over your plant for you," without obligation. Plant surveys by groups of expert engineers also were offered.

Letters, with government return cards, are being mailed at intervals to the 27,000 factories.

As a result of this initial advertising several hundred manufacturers have already replied. In the first ten days of the campaign, electrical contractors obtained thirty jobs amounting to more than \$100,000. One contractor called at the association's Queens headquarters, selected a prospect from the boards on which the lists are compiled and succeeded in obtaining a \$22,000 contract.

The program is divided into six parts: promotion, selling, newspaper advertising, public utility advertising, manufacturer's prospects and contractor's prospects.

The first consists of a series of letters, offering surveys of plants. If the prospect does not reply, a follow-up letter goes to him. If he does, the association refers the request to the particular section interested.

If the prospect fails to answer a third letter, his name is placed on a general list for contractors and personal follow-up. The respective borough headquarters keep in touch with the contractors to learn whether the job has been secured, whether assistance may be required, or whether the prospect is interested but has decided to defer action. Most of the "selling" is up to the individual contractor.

New Campaign to Sell New York as Resort

To stimulate summer business in New York by attracting to the city visitors to replace residents who are away on vacation, the Merchants' Association there is launching a direct mail advertising campaign under the sponsorship of Mayor Walker. Five hundred thousand copies of a booklet on the city's advantages will be distributed throughout the country. In addition to New York's attractions, the Mayor said, it compares "favorably in temperature with other points on the Eastern seaboard."

Automobile Chamber Reelects Macauley

Alvan Macauley, president of Packard Motor Car Company, was reelected president of the National Automobile Chamber of Commerce in annual meeting in New York last week. Other officers are Alfred H. Swayne, General Motors, vice-president; A. R. Erskine, Studebaker, vice-president, passenger car division; A. J. Brosseau, Mack, vice-president, commercial car division; Charles W. Nash, Nash, secretary; H. H. Rice, General Motors, treasurer; and Alfred Reeves, general manager.

May production for the industry was 433,328 vehicles—decreases respectively of 7 per cent from April and 32 per cent from May last year. Production in the first five months was 1,970,849 or 31 per cent under the same period last year. In addition to a falling off in demand, they represent an attempt on the part of manufacturers to tie-up production more closely with dealer requirements.

George Frolich Heads United Drug Sales

George C. Frolich is now general sales manager of the United Drug Company, Boston, succeeding H. L. Simpson, who died recently.

Proprietor of his own drug store in Mamaroneck, New York, for several years, Mr. Frolich was later with Parke Davis & Company, Detroit. He joined United Drug in 1915 as manager of the publicity department. After service in the war he created, in 1919, the Puretest line. More recently he had been general manager of the medicine departments.

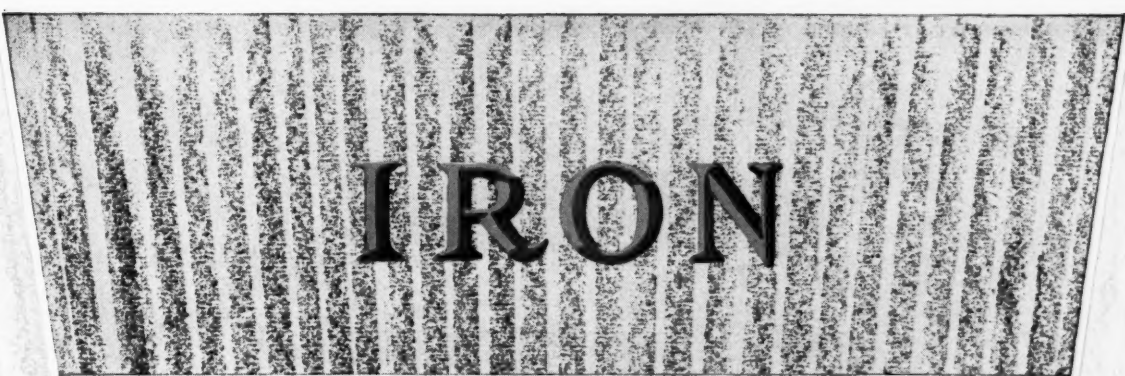


Prospects "board" employed by the Electrical Association of New York in its "modernization of industry" program.

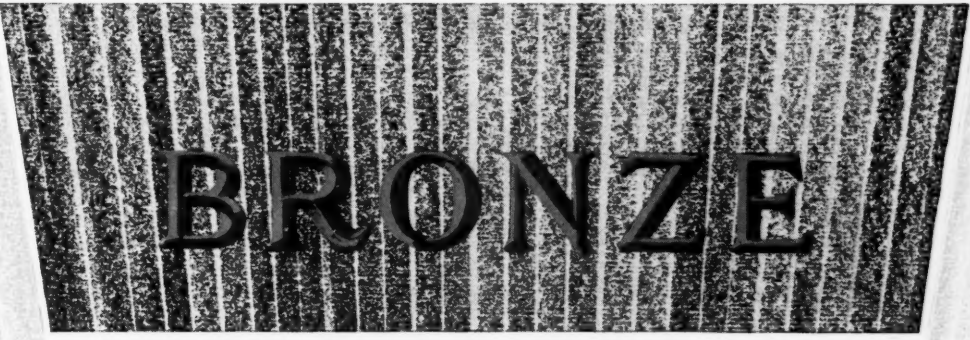
You may expect on July first
something new, modern, forward looking in

STEEL

—something of vital interest to everyone who makes
steel—uses steel—sells steel or any of its products



—something distinctly new—yet based on all that
is good on the past work of the steel industry



—It will be sponsored by a recognized
authority on steel



George Simmons Dies; Established Service for 25,000 Grocers

George W. Simmons, president of the George W. Simmons Corporation, St. Louis wholesale grocers, who organized last February a group of 25,000 stores to handle a new Plee-Zing brand of foods, died suddenly there a few days ago.

W. L. Stickney, vice-president and general manager, succeeds him. Saunders Norvell, president of Remington Arms Company, New York, with whom Mr. Stickney was formerly associated, and Richard W. Simmons, son of Mr. Simmons, have been elected vice-presidents. Both are also directors.

Mr. Simmons' death came while resting between periods of a polo game at the St. Louis Country Club. Formerly a vice-president of the Chase National Bank, New York, he was connected with the business and civic affairs of St. Louis for a number of years, and was the first president of the Traffic Club there. He was also president of the Huttig Sash & Door Company.

Parker Pen Sales Gain; \$1,000,000 Promotion

An advertising appropriation of more than \$1,000,000 for 1930 is a factor in effecting substantial sales increase this year for Parker Pen Company, Janesville, Wisconsin. Sales for April and May were considerably higher than for the same period of last year, officials told this magazine. Parker's business in Great Britain and continental Europe for the April-May period shows a gain of 21 per cent over last year, also a record-breaker for this period.

In its spring campaign Parker used seventeen magazines, 136 college publications and 212 metropolitan newspapers.

Crowell, Crane, Williams & Company, Chicago, handles the account.

Detroit Aircraft Sales Up

In the thirty-day period from April 15 to May 15 the Detroit Aircraft Corporation sold 30 airplanes—the net sales amounting to \$195,048, and the gross sales to \$249,800. All but nine of the ships have been delivered.

Lakeshire Cheese Company, of Plymouth, Wisconsin, a subsidiary of the Borden Company, has moved its West Coast cheese factory from Portland to Sacramento. E. F. Wheeler will be manager there.



© Blank & Stoller, Inc.

Stanley Clark

Lehn & Fink Products Appoint Clark S. M.

Stanley Clark, with Lehn & Fink, Inc., New York, in research and sales promotion capacities for several years, has been promoted to sales manager of the Lehn & Fink Products Company, succeeding Jack W. Bray, Jr., resigned.

Mr. Clark at one time was research director of the former Joseph Richards Company, New York agency.

Pluto Water Starts Full-Page "Test"

In a full-page test campaign in Cleveland for its Pluto Water, French Lick Springs Hotel Company, French Lick, Indiana, is talking plainly of the value and necessity of "physics."

Advertisements in the series mentioned the fact that "foods should be for eating and enjoyment and not for physic," and point to the undesirability of too many pills. The copy is written by Kin Hubbard, the "Abe Martin" of the newspaper feature pages. T. D. Taggart, president of the hotel company, told this magazine that the present campaign is a test only. He was unable to say when or whether it would be extended.

Charles Borland, general manager at Chicago of the Federal Electric Company, Inc., and vice-president of its subsidiary, Claude Neon Federal Company, has been elected president of the Mohawk Rubber Company, Akron, to succeed S. S. Miller, now chairman of the board.

Tenth of Chains Operate 85 Per Cent of Stores, Government Reports

Less than nine per cent of chains reporting in a survey of the Federal Trade Commission operate more than 85 per cent of the stores, the commission announced this week in summarizing figures of 1,060 chain store organizations which have returned schedules in the survey.

About 25 per cent of the reporting chains and 68 per cent of the reporting stores were "grocers and meat marketers."

More than 56,000 stores are now represented in the survey, as follows:

	Number of Chains.	Number of Stores March 30, '29.
Grocery and meats..	262	38,421
Shoes	145	4,213
Drugs	104	1,554
Department, general and dry goods...	119	2,329
Clothing	263	2,369
Variety	72	3,594
Furniture and mu- sical instruments..	23	141
Candy	24	460
Tobacco	15	3,328
Hardware, lumber and implements...	33	265
	1,060	56,674

Finds Closed Cars Lead in Automobile Sales

Amos 'n' Andy's fresh-air taxicab notwithstanding, the National Automobile Chamber of Commerce finds that closed cars now predominate—reversing the proportion of ten years ago.

At that time, the chamber points out in its new book, "Facts and Figures of the Automobile Industry," only 10 per cent of the passenger cars were of closed type. In 1929 all but 10 per cent were closed.

Touring cars have generally been preferred to roadsters, but in 1928 they reached an equal footing—each representing 5½ per cent of the total production.

Donald Conn Leaves Fruit Industries, Inc.

Donald D. Conn has resigned as managing director of the Associated California Fruit Industries, Inc., and as manager of its clearing house, to devote all his time to the grape and raisin industries there. He remains as managing director of the California Vineyardists Association, the grape co-operative. Wilmer Sieg, vice-president, will probably succeed him.

Account Changes

SOUTHERN COTTON OIL COMPANY, New Orleans, Wesson Oil, to the Fitzgerald Advertising Agency, Inc., there.

FIK RUBBER COMPANY, Chicopee Falls, Massachusetts, to Henri, Hurst & McDonald, Chicago.

CARTHAGE MILLS, INC., Cincinnati, floor coverings, to the Geyer Company, Dayton.

PORTAGE DRAPERIES, INC., New York, to the Arthur Hirshon Company, Inc., there. Trade and class papers.

NARROW FABRICS COMPANY, Reading, Pennsylvania, Nufashond products, to Cleveland & Shaw, Inc., New York City.

PLOUGH, INC., Memphis, proprietary medicines and beauty preparations, to Lake-Dunham-Spiro-Cohn, Inc., there.

CHARMS COMPANY, Newark, Charms, Charms-Pops, lozenges and hard candy, to W. I. Tracy, Inc., New York.

BALDWIN-DUCKWORTH CHAIN CORPORATION, Springfield and Worcester, to William B. Remington, Inc., Springfield.

CRESCENT TRUCK COMPANY, Lebanon, Pennsylvania, electric lift trucks, to Stelle-Wessinger-Foltz, Inc., Lancaster. Trade papers and direct mail.

D. G. C. TRAP & VALVE COMPANY, INC., New York, Cryer radiator control valve and other steam specialties, to Tuthill Advertising Agency, Inc., there. Magazines, trade papers and direct mail.

FINN-IFFLAND & COMPANY, Scranton, Pennsylvania, store fixtures and interior woodwork, to O. S. Tyson & Company, New York City.

HELLO WORLD MALT COMPANY, Cincinnati, Hello World malt syrup, to Marx-Flarsheim Company, of that city.

HAWAII TOURIST BUREAU, Honolulu, to Lord & Thomas and Logan, San Francisco. The bureau, formed by business interests of the Hawaiian Islands, will continue to advertise jointly with Matson Navigation Company and the Los Angeles Steamship Company.

R. M. HOLLINGSHEAD COMPANY, Camden, New Jersey, Whiz automobile products and cleansers, to Pedlar & Ryan, Inc., New York.

TWIN-DISC CLUTCH COMPANY, Racine, Wisconsin, to Cramer-Krasselt Company, Milwaukee.

MONOMELT COMPANY, Minneapolis, to Olmsted-Hewitt, Inc., of that city. Business papers and direct mail.

VALLEN ELECTRICAL COMPANY, Akron, Vallen screen modifier, to Byerly-Humphrey & Prentke, Inc., Cleveland. Business papers and direct mail.

"Amazing what Friendship an Autopoint Pencil creates"

says

Miss Olive Bissell

Advertising Manager,
Dearborn Chemical
Company, Chicago

This firm has
an unusual sales
problem. Contact
must be maintained
"all way down the
line." Autopoint
proves its value.

ALTHOUGH a house of chemical engineers, the Dearborn Chemical Company has a sales problem just like any other concern. And because this sales problem is unusual and different, Autopoint has been able to prove itself of definite dollars-and-cents value.

Many contacts

The representatives of the Dearborn concern call on many individuals. Foremen, superintendents, engineering department people, are all to be cultivated. Three or four years ago, the Dearborn Chemical Company started using the Autopoint method of maintaining contact "all the way down the line" by means of Autopoint Pencils imprinted with a firm's name.

"We know beyond question," says Miss Olive Bissell, advertising manager of the Dearborn Company, "that the men who get our imprinted pencils value them exceedingly.

"It is really amazing what a bond of friendship an Autopoint Pencil creates. Customers and prospects write in frequently and ask for another pencil 'like that one you gave me a year ago.'"

Let Autopoints help you

Some firms use Autopoints as prizes. Others to "carry their story all the way down the line." Still others use them to reach "non-readers" of printed advertising.

We are certain there is one way in which Autopoint Pencils can help you get more business. Let us help you find it.

A complimentary pencil

To show you just what an Autopoint is, why users prefer it, we'd like to send you a complimentary pencil imprinted with your company name. There is no obligation whatsoever in this offer. Give us your firm name and address, your executive title, and attach coupon below to your letterhead or business card, please.



FREE
to Executives—an Auto-
point Pencil imprinted
with your firm name.
See coupon.

Autopoint
The "Better Pencil" Made of Bakelite

3 Big Features

- 1 Cannot "jam"—protected by patent. But one simple moving part. Nothing to go wrong. No repairs.
- 2 Bakelite barrel, beautiful onyx-like, lightweight material.
- 3 Perfect balance—not "topheavy."

Autopoint Co., 1801 Foster Ave., Chicago

Attach business card or
letterhead

For Executives
Only

AUTOPOINT COMPANY
1801-31 Foster Ave., Chicago, Ill.

S. M.-6-14-30

Without obligation, please send sample Autopoint, booklet, sales-building proposition, prices, etc.

Name

Firm Title

Address

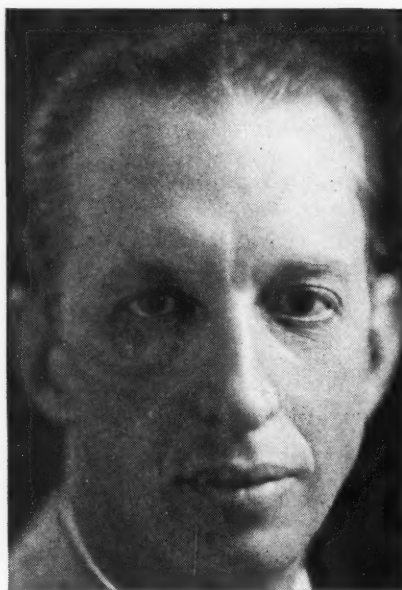
Human Factor Vital in Mergers, Jones Tells A. M. A.

Mergers do not necessarily bring economies, Thomas R. Jones, vice-president and general manager of the Harris-Seybold-Potter Company, industrial engineers, told the American Management Association at a production conference in Cleveland this week.

"A merger is apt to precipitate a decided let-down in morale of the executives of the constituent companies," Mr. Jones explained. "They may feel that a merger ends their troubles, that they may sit back and let someone else assume their burdens. Mergers are also likely to bring the committee form of government, which is disastrous. A merger causes a shifting of jobs—the placing of men into work with which they are unfamiliar. Moreover, it has been proved to be the rule that when well-managed units are brought together the administrative expense is increased rather than lessened. Add to these the necessity in many mergers of providing policy jobs for some of the heavy stockholders in order to get their consent to the merger, and the personnel factor looms large as a rock on which the merger ship may become wrecked."

Aggressive competition, he said, is often necessary to expansion. One aftermath of the merger of companies making identical products—to the surprise of the management, he pointed out—is a drop in total sales. One company recently purchased a second. They estimated that sales of the purchased company would decrease 30 per cent—and to date their estimate has proved correct. "Periodically we hear much talk of the possibility of a merger of Sears, Roebuck & Company and Montgomery Ward. So far nothing has happened. I believe that nothing will happen. It is doubtful that one catalog will sell as much goods as two. Furthermore, such a merger would leave an opening for the ascendancy of another mail-order house.

"A consolidation, to justify its existence as a consolidation," Mr. Jones concluded, "should accomplish things which were impossible to accomplish in the independent business of which it was constituted. It must produce: a better product at the same price or the same product at a smaller price; more stability in the industry; more profit for the investors, and greater advance in the industry."



J. A. Harlan, whose appointment as vice-president in charge of sales of the Frigidaire Corporation has just been announced.

Finneran to Supervise National Dairy Sales

E. J. Finneran has been appointed director of sales and advertising of the National Dairy Products Corporation, New York City, largest food producer in the United States, with an annual sales volume of more than \$400,000,000.

Mr. Finneran formerly occupied a similar position with General Ice Cream Corporation, Schenectady, which was merged with National Dairy a year ago. Previously he was vice-president and general manager of the Gardner Advertising Company. National Dairy functions as a holding company for a number of companies in the milk products field—notably Kraft-Phenix cheese and Sheffield Farms.

McGraw-Hill to Erect 26-Story Building

McGraw-Hill Company, publisher of business and technical magazines, announced this week plans for a twenty-six story building between Eighth and Ninth Avenues, from Forty-second to Forty-first Streets, New York City. It is planned to utilize ten or twelve floors for executive, editorial and business offices, and five for production purposes, James H. McGraw, Jr., vice-president and treasurer of the company, explained. The main entrance will be on Forty-second Street. The site was formerly known as the Larkin property.

Procter & Gamble Opens Soap Sculpture Show; 5,000 Participate

Thirty-one hundred dollars in prizes and an art scholarship of one year's tuition in a selected school were awarded at New York last week at the opening of the Sixth Annual Exhibition of Small Sculptures in White Soap by Procter & Gamble Company, Cincinnati.

Peter P. Ott, professional sculptor of New York, won \$500, first prize in the professional group, and Edward Anthony, seventeen-year-old schoolboy of Wyandotte, Michigan, an art scholarship in the amateur group. Nearly 5,000 sculptures in white soap from every state, Canada and six foreign countries are included in the exhibition. The entries range from the Coliseum to the Chrysler Building and from Cleopatra to Greta Garbo.

The competition and exhibition, under the publicity direction of Edward Bernays, New York, has been effective in stimulating the consumption of white soap for aesthetic as well as sanitary purposes.

Presidents of various museums and art galleries are included in the Sponsorship Committee of the Jury of Award, comprising a dozen prominent sculptors, artists, museum executives and educators.

Toussaint Will Direct Mohawk Advertising

Everett H. Toussaint has been appointed advertising manager of the Mohawk Carpet Mills, Amsterdam, New York, to succeed Gilbert H. Durston, now sales manager of the Pacific Coast division. J. D. I. Husband, divisional sales manager, is now merchandising manager.

The appointments follow a change in the sales policy of the company, announced in SALES MANAGEMENT last week, whereby sales managers have been appointed for five regional divisions—instead of for the various types of Mohawk products, as formerly.

George Lambie remains as general sales manager with headquarters in New York. George P. Reynolds will have charge of contract sales there. A. J. McGrath is now sales service manager and Francis Way, stylist. Mr. Toussaint and Mr. Husband will make their headquarters at Amsterdam.

Farm Supplies Changes

Farm Supplies, New York, will change its name to *Farm and Garden Supplies*, with the July issue.

Gossip

PHILIP SHIELDS, formerly of Marshall Field & Company, Chicago, has joined A. & M. Karagheusian, Inc., rug manufacturers, New York, in charge of New York metropolitan territory. GEORGE ZOLLNER, formerly of Atlantic City, is now in charge of Cleveland. . . . ARTHUR H. FULTON has become an account executive with Reimers & Whitehill, Inc., New York agency. He was formerly president of Whitman Advertisers' Service, Inc., and later with Littlehale-Burnham-Fulton, Inc. . . . R. J. HEYWOOD has resigned as treasurer of Batten, Barton, Durstine & Osborn, Inc., New York. Mr. Heywood was treasurer of the George Batten Company up to the time of the B. B. D. O. merger. . . . S. Z. OPPENHEIM, for three years in charge of the *Scholastic*, in New York, has been appointed western manager of the Educational Advertising Company, representing the *Scholastic* and *St. Nicholas*, at 360 North Michigan Avenue, Chicago. . . . FRANK R. JENNINGS, for more than sixteen years advertising and business manager of the *Rotarian* magazine, is now advertising manager for the Al Carney Radio Studios, of Chicago. . . . DAVID J. CARROLL, until recently with the *Kansas City Star*, and previously with the advertising department of the *Chicago Tribune*, has joined the national advertising staff of the *Milwaukee Journal*, in charge of financial advertising. . . . E. W. MARTIN, formerly representative in the Pennsylvania territory for the Nyanza Mills, Woonsocket, Rhode Island, has been placed in charge of that territory for the Tubize Chatillon Corporation, manufacturer of synthetic yarns, New York. . . . REGINALD W. DAVIS, for the last year and a half business manager of *Institutional Jobber*, has been appointed publication manager and treasurer of that magazine, with headquarters at New York. . . . M. B. RIDER and GEORGE K. GAUFF have joined the magazine division of F. W. Dodge Corporation, New York, representing the *Architectural Record* and *General Building Contractor*. Mr. Rider was formerly New York sales manager for the T. L. Smith Company, manufacturer of concrete mixers, and Mr. Grauff, vice-president of *Manufacturers' Record*, Baltimore, and previously with the McGraw-Hill Company. GUY K. YOUNG, who had been manager of the *Architects' File Service*, is now special representative with Sweet's Catalogue Service, and WILLIAM F. SEALS, formerly with the Hearst organization, in charge of promotion of the *Real Estate Record* and *Builders' Guide*, also of the Dodge Corporation. . . . SAMUEL TAYLOR MOORE, author and newspaper man, has joined Reed G. Landis Company, Chicago agency, in charge of publicity. . . . CHARLES G. ECKART has left the R. J. Bidwell Company to join Roy W. McDonald Company, San Francisco, publishers and publishers' representative. . . . DONALD H. WHITE has resigned as general sales manager of the E. H. Jacobs Manufacturing Company to join the advertising staff of the *Textile World*. . . . The Advertising and Sales Center will open offices soon in the Chrysler Building, New York.

YOUR ADVERTISING DOLLAR Goes Farther IN THE SMALL TOWNS



Competition between advertising media reaches its zenith in metropolitan centers and its zero in small towns.

As a result of this condition, the average small town citizen offers a greatly lowered resistance to organized demands upon his attention. The opening of a new store, the repainting of a local sign, the ever-changing panorama of advertisements in his favorite publication—these are matters sufficiently diverting to engage his interest.

You need pay no premium to insure a satisfactory audience for your advertising in the small towns, provided you choose media that actually reach small town people.

GRIT is such a medium. Alone and unaided, GRIT will introduce your merchandise to 406,000 families in 14,000 small towns, because its whole editorial appeal and eighty per cent of its circulation are concentrated in towns of less than 10,000 population.

Useful data regarding the small town market may be obtained from our nearest representative or the home office, without obligation.



Home Office
WILLIAMSPORT, PA.

Advertising Representatives
THE JOHN BUDD CO.

E d i t o r i a l s

EMPLOYMENT STABILIZATION: There are gratifying signs of progress in the movement to stabilize employment. Henry Bruere, chairman of the New York state committee on the subject, reports that most of the business men he and his committee have consulted in the last few months are eager for information that will help them to do something of the sort with their own forces. The committee finds also that many concerns are now getting fairly good results from market and sales analyses, production control, budgeting and intelligent forecasting, diversification of products, flexible working days and weeks, and timing introduction of new labor-saving machinery so as to have changes of this sort fall in slack periods. . . . A considerable number of individual companies have worked out solutions of their own problems in this respect. The main difficulty seems to be that those which have been less successful have no ready access to a body of facts that might be helpful to them. Mr. Bruere thinks that chambers of commerce, acting with business schools, might set up the necessary machinery. There is obvious need of concerted action of some such kind which might well have a start in the national chamber of commerce, from which it would naturally ramify through similar agencies.

PROFIT MARGINS: A good deal of attention has been given to the recent announcement of a Chicago department store that it had made an all-round cut in prices with a view to establishing a new buying level which, by inducing renewed consumer demand, would be of advantage to producers and distributors as well as to the public. The theory behind this move is that, on account of the large decline in commodity prices which has taken place in the last half-dozen months or more, stocks can be replenished at lower levels than formerly and that the way to stimulate larger consumption of goods is to pass on to customers a full share of this saving. . . . In all periods of readjustment, especially where prices are materially affected, this is a factor with which business has to deal. The first result of rapid deflation is of course a serious deterioration of inventory values, thereby entailing losses that put the average business man in a mood to raise prices rather than to cut them down. Later, when stocks have been renewed under more nearly current conditions, the reason for not readjusting the price structure is the natural desire to make good the depredations inflicted by a falling market. Thereafter the only question is one of business policy—whether to

keep intact a satisfactory margin of profit or to take advantage of the conditions to widen the margin on an established retail price level. Where volume is lessened, as in the automobile industry notably, a disproportionate rise in overhead costs may urge, if it does not seem to compel, this course. In the long run, however, and in the face of fierce competition, there may be danger in damming the quantity flow of consumption.

WORKING FOR THE COMMON GOOD: Sir Josiah Stamp, distinguished British financier and economist now on a visit to this country, has been telling American business men how English financiers and business leaders are trying to meet trying problems confronting the economic life of their nation. They have set up an Economic Advisory Council in which the Prime Minister takes part. Its functions are not well defined, since it is still feeling its way, but its main purpose is that of what Sir Josiah calls "a thinking machine" charged with the duty of finding broad lines along which British industry may hope to discover ways out of the difficulties which have beset it since the Great War. Of the same character is a Bankers Industrial Development Company in which the Bank of England and other financial institutions are shareholders, which, in the language of Sir Josiah, is designed to act as "a catalyst to precipitate the amalgamation of front-line industries." . . . Conditions in this country are very different from those in England. Here, though we are less prosperous than we were a year ago, we have no reason to doubt that our troubles are temporary, sequels to unwise practices begotten of golden floods and speculative excesses. It is interesting to observe, however, the analogy between the Advisory Council in London and the Conference Committee in Washington, each engaged in looking for general principles applicable to common interests. . . . It is noteworthy also that the English banking company is apparently struggling with the wastes of fruitless competition that serve neither private nor public interest much in the same way that some of our trade associations are doing. In our case escape is obstructed by laws enacted to prevent the strong from crushing the weak but which, under changed conditions, tend rather to hamper united action by the relatively weak to fit them to hold their own against the odds of aggregated power. With us there is need, not so much of amalgamation of front line industries, as of legal arrangements that will permit united action to minimize wastes and destructive activities.

99.15% of the \$64,245,000 invested by 23 automobile companies in newspaper advertising last year came from subscribers to SALES MANAGEMENT. Total subscriptions in 21 companies—85, or an average of four. The advertising was placed by 21 advertising agencies, 19 of them being SALES MANAGEMENT subscribers having 58 subscriptions, an average of three each.

This IS coverage

IMPORTANT Announcement

An entirely new Service is now issued by the well-known New Haven analysts of the Index Number Institute founded by Irving Fisher, of Yale University.

Graphic charts, showing facts at a glance, are largely used. Such information as this is provided:

Current condition of leading industries and trades.

Indexes of Business Conditions

Domestic and Foreign Commodity Prices

Data on staple products

Current purchasing power of money, etc.

This new service is known as the "Financial Analysis Service" because it also gives a wealth of information on the Stock, Bond and Curb Markets which naturally affect business conditions.

The "Financial Analysis Service" is issued to subscribers each week in three and four sections.

SPECIAL OFFER

*(subject to withdrawal
without notice)*

To a limited number of accepted Charter Subscribers the cost of the "Financial Analysis Service," including handsome binder container, is less than one dollar a week.

Full information on request

INDEX NUMBER INSTITUTE

(of New Haven, Conn.)

NEW YORK OFFICES:

**Lincoln Building
60 East 42nd St.**

Telephone: Murray Hill 4514

What a Restricted Dealership Policy Has Done for Maytag

(Continued from page 476)

tempting to attain 100 per cent distribution, they disregarded the quality of their distribution, both wholesale and retail. And from our experience I believe that most of our present distribution problems are a result of this practice.

"Although it is true that while the average national advertiser contacts with the consumer only through his advertising and his goods, while we have the additional contact of salesmen, yet I am sure that the principle involved is the same. The independent retailer who is honest and intelligent, and who deserves to survive and prosper, must have all the support the manufacturer can give him.

Value of Cooperation

"When this support is inadequate, it is surprising what can be accomplished in any line where quality merchandise is supported by the right kind of business policy. We have proved that the hearty cooperation of the retailer who is protected against the demoralizing influence of ignorant competition is worth vastly more to us than the mere handling of our goods by more than six times his number.

"We consider our dealers as a definite and important part of our organization. While they are entirely independent, we make them feel that they are, in spirit, partners in our enterprise, and that we will protect their rights as surely as we will the rights of our officials, managers, field men and salesmen. And quite naturally, they reciprocate by giving us the best possible distributive service."

When talking about his men and his dealers, Mr. Scott used the word "honest" with unusual frequency, and explained that his organization considers it a watchword and applies it to the limit of its meaning. As a boy, he said that he was well trained in the theory of the word, since his father is a minister, and that, when eleven years of age, he received some excellent lessons in its practical application from the Jewish storekeeper who gave him his first job.

"Since then," he continued, "I have never ceased to be astonished when apparently intelligent men use dishonest methods in business. Whatever success we have won is due en-

tirely to the fact that every step of our organization, every business practice, all of our methods and our dealer relations have passed the simple test of common honesty. And there is no doubt that this is the best possible test. For anything in business that is dishonest is also uneconomic. A dishonest practice may appear to succeed for a time; but it fails in the end and engenders all sorts of losses and problems.

"In our relations with dealers, we demonstrate that they will get an absolutely square deal on the basis of the simplest interpretation of common honesty, and we expect the same from them. If a dealer does not cooperate fully, we consider him dishonest, for he is not fulfilling his implied agreement. If a salesman works six hours a day, instead of eight, we try to show him that this is dishonest because he is not doing justice to his organization nor to himself.

"Even in formulating our terms, the same rule holds good. Some of our competitors, for instance, accept as little as two dollars for a first payment. It would be no financial problem for us to meet this competition; but we would consider it dishonest to do so, for the reason that we would be unjust to our dealers and the public.

Insist on \$25 First Payment

"We have determined that a minimum payment of \$25 is fair and just to all concerned. If a woman cannot afford to pay this amount, we are convinced that she cannot afford to obligate herself to pay the balance.

"When we sell one washer or several cars to a dealer, we recognize the fact that he places the order for the sole reason that he expects to turn the goods in a reasonable time and at a reasonable profit. If we then were to sell our goods in any manner that would prejudice or prevent his expectations, we would be committing a dishonest act. But we even go further. To be absolutely honest, we consider it our duty to do everything within our power to assist the dealer in disposing of our merchandise, and that, since our profit must ultimately come from the consumer, it is right and proper for us to consider our goods sold only when they reach the hands of the final purchaser."

Are Politics Befogging Facts about the Tariff?

(Continued from page 480)

ports, as against 49.9 per cent in the same period a year ago, 44.93 per cent in the year 1928 and only 34.32 per cent in 1922 before the last tariff was passed. So much for the retaliation which was predicted in 1922.

If our exports were being discriminated against by foreign buyers because of the proposed tariff it would be natural to look for an increase in German and British exports. But their exports have declined also, as anybody but a politician would expect.

Manufacturing Leaders

We are now the world's manufacturing leaders, both in merchandise and in sales technique. The timidity which causes us to raise our tariff walls still higher now may not antagonize the rest of the world, but it must puzzle them.

You may be sure of one thing, that the business men overseas are paying much less attention to our tariff agitation than some of the more excitable opponents of the new tariff would lead us to think.

Believe it or not, in a very voluminous mail with overseas merchants, which has crossed my desk in the last year, I have not seen half a dozen letters that referred to the tariff.

In any event not only are our general exports of manufactured goods so far this year up to 95 per cent of last year's record figures, but in 427 different merchandise classifications in the Monthly Summary of Foreign Commerce of the United States they are actually higher. And total exports to twenty-one countries are higher than last year and to fifteen other countries the decrease is less than 10 per cent. And all this in the face of a commodity price level which is the lowest for many years.

Bad as it is, the new tariff, if it becomes a law, will have a more devastating effect on political fortunes than it will on foreign trade.

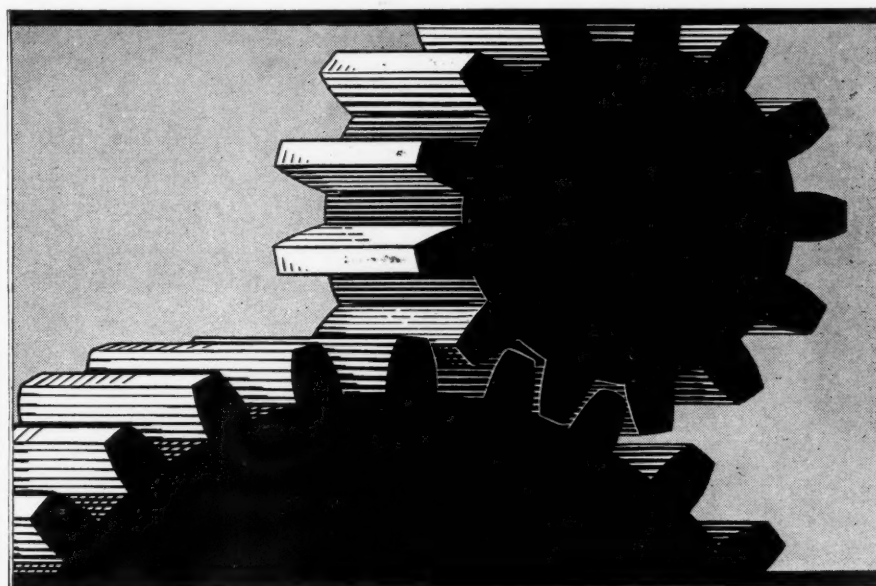
Post to Sell Whole Bran Throughout Nation Soon

National distribution on Post's Whole Bran, a new product introduced in Minneapolis a few months ago, will be effected soon by General Foods Sales Company, New York.

The product is now being sold through the Middlewest, with the aid of newspaper and poster advertising. Magazines will also be used.

Are you geared to modern retail methods?

Buying and selling are major wheels of the business machine. They must mesh. Is your selling geared to the modern retail practice of small stocks and quick fill-ins?



BUSH DISTRIBUTION SERVICE gears selling plans to buying practice

FOR several hundred concerns Bush Distribution Service now gets goods to the metropolitan dealer when he wants them and in the quantities he needs, charging only for labor and space actually used. This reduces costs on existing sales volume and greatly increases the potential volume. For many concerns that are actually manufacturing or assembling their products in New York, Bush provides all necessary facilities for spot production as well as spot stocks: economical and convenient water and rail transport, good light and layout, low cost power and insurance, and unrivaled elevator and trucking service.

So, if you sell in New York or hope

to sell there, and if you manufacture or assemble merchandise there, or plan to do either—you can use Bush Terminal to reduce costs, to increase profits, and to add new volume.

There are so many ways this service can be valuable that they cannot be enumerated here. Just how it will be valuable to you depends on your product, your method of sale, your present position in the New York market and other markets. Give us that information when you write for a copy of "More Profits in New York" and we will describe the ways that Bush will gear your New York business to local buying practices.

BUSH TERMINAL COMPANY

**Metropolitan facilities for
Distribution . . Warehousing . . Manufacturing**

Executive Offices: 100 Broad St., Dept. G, New York

Steamship piers, railroad sidings, warehouses, truck depot and manufacturing lofts on New York Bay

say "THE STATLER" and be SURE



When the taxi driver asks, "Where to, sir?" tell him to drive you to The Statler — there your satisfaction is guaranteed.

You can be sure of finding employees who are trained, courteous and helpful — who go out of their way to give friendly, interested service.

You can be sure of excellent food in attractive, well-managed restaurants. You can be sure of fixed, unchanging rates posted in every room, a radio, your own private bath, circulating ice-water, a morning newspaper under your door, a bed-head reading lamp and many another thoughtful comfort to make your stay pleasant.

And you'll appreciate the certainty of getting all these things in every Statler — whenever you are a Statler guest.

HOTELS STATLER

BOSTON DETROIT
BUFFALO ST. LOUIS
CLEVELAND NEW YORK
[Hotel Pennsylvania]

How Far Can Business Legally Go in Lobbying?

(Continued from page 477)

interview individual members of either house, "or by any other means."

The bill requires that any person, before he shall engage in lobbying, shall "register with the clerk of the House of Representatives and the secretary of the Senate, and shall give to these officers his name, address, the person, association, or corporation by whom or by which he is employed, and in whose interest he appears as a lobbyist. He shall also disclose the interest he himself may have, or those whom he represents, in the proposed legislation, or for the defeat of legislation. He shall likewise state how much he has been paid, and is to receive, and by whom he is paid, or is to be paid, and how much he shall be allowed for expenses incident to the carrying on of his calling as a lobbyist."

Monthly Reports

Also, the bill provides for monthly reports as to the amounts of money the lobbyist expends in entertainment, and, for failure to comply with its provisions, it carries a fine of not less than \$100 nor more than \$1,000, with imprisonment in a common jail for not less than one nor more than twelve months.

The Senate Resolution, as agreed to on October 1, last year, resulted in the appointment of a subcommittee which has been actively engaged in investigating the subject since that time. In its preamble, this resolution repeats the charge that the lobbyists, located in and around Washington, filch from the American public more money than the legislative branch of this Government costs the taxpayers, under the false claim that they can influence legislation. It also charges that "the lobbyists seek by all means to capitalize for themselves every interest and every sentiment of the American public which can be made to yield an unclean dollar for their greedy pockets."

Senator Caraway has said that it is not his intention to interfere with the rights of any citizen to petition his senator and representative on any relevant subject. Obviously, his attack is aimed at the secret and questionable methods of individuals and organizations profiting financially because of their claimed ability to influence federal legislation.

For many years it has been well known that railroads and other public service corporations have maintained offices in Washington for the sole purpose of influencing legislation. It has been charged that certain trade associations and branch offices of others were organized for the same purpose. There is no doubt that a number of individuals have been paid large fees and salaries during recent years to encourage the passage of some bills and prevent the passage of others, and, in some cases at least, their work undoubtedly has been effective.

From a member of Congress who did not wish to be directly quoted, it was learned that the subcommittee is especially interested in revealing the activities of the "master minds" among the lobbyists, the men who engineer subtle and secret lobbying campaigns. During late years, this congressman said, it is understood that several well-timed campaigns of newspaper and other kinds of publicity have been engineered to influence legislation by men who kept in the background and profited very well financially, and that this form of lobbying is considered exceedingly pernicious.

Information Needed

Nevertheless, the great need of placing accurate information before all congressional committees and members of Congress never has been more apparent than at the present time. As an illustration, although the proposition to use the Muscle Shoals water-power plants for the manufacture of fertilizer has been an issue before Congress ever since the conclusion of the World War, a member of Congress recently admitted to a manufacturer that he did not know what a commercial fertilizer is. But it would be ridiculous to assume that all members of Congress should be experts on all of the various subjects that confront them during every session of Congress. Therefore, it is essential that manufacturers and their associations have adequate means of presenting their side of all legislative issues promptly and effectively with the invaluable statistical and other information collected by their organizations to all members of Congress.

During the last two years several attempts have been made to influence

federal legislation by means of paid advertisements in Washington newspapers. The most notable campaign of the kind was recently published over the signature of Charles J. Brand, executive secretary and treasurer of the National Fertilizer Association. Using full pages in the Washington papers, Mr. Brand addressed his advertisement, "To Members of the House of Representatives," and with an array of statistical facts and information furnished an abundance of evidence to prove that the Reece Bill, providing for the production of fertilizer by the Muscle Shoals plants, then before the House, was both inadvisable and uneconomic.

Mr. Brand has candidly published the fact that his association has attempted to influence both houses of Congress by means of letters and in other ways. He has also invited the subcommittee to investigate his association's lobbying activities; but without result. Because of the political popularity of Muscle Shoals as a source of cheap fertilizer, the proposition has certain significant phases which play a part in a great deal of proposed legislation that might injure the country's industries. For this reason, and because it is advisable to let the public, as well as members of Congress, know the facts about certain issues, the indications are that paid newspaper space will become increasingly popular in future lobbying campaigns.

Two subsequent articles will discuss the best methods of advising all members of Congress regarding the economic and other pertinent facts of business in relation to proposed federal legislation. The congressional point of view will be presented by Senator Caraway or some other authority. And Mr. Brand has consented to give SALES MANAGEMENT an interview at an early date for the purpose of discussing his experience and what he considers to be legitimate lobbying.

Westinghouse Starts "Salute" to Cities

Following its series of salutes to various major industries, broadcast weekly over a national network, Westinghouse Electric & Manufacturing Company inaugurated this week a series of salutes to cities.

Chicago, preparing for its world exposition in 1933, was awarded the first program.

Fred C. Young, district manager of the Kellogg Company, cereals, at San Francisco, has resigned to establish a sales advisory service there.

Will Raise \$225,000 for Jewelry Study; All Interests Join

A fund of \$225,000, to cover an extensive study of trade conditions, distribution, sale and use of jewelry, as well as general trade relations with the public, will be raised soon by the National Wholesale Jewelers' Association, according to decision reached at the annual convention at Atlantic City this week, inaugurating a National Institute of Jewelry.

Manufacturers, wholesalers and retailers, it is expected, will each raise \$75,000. "All details of the program have not yet been worked out," George A. Feruley, secretary of the association, told this magazine, "and will not be until funds are actually raised."

The association combined this week with the Wholesale Jewelry Trade Association—bringing to one organization the nation's entire jewelry jobbing interests.

A. C. Becken of Chicago is president of the National Jewelers' Association.

New York Advertising Club to Honor Admiral Byrd

Rear Admiral Byrd and his South Polarists will be the guests of the Advertising Club of New York at a luncheon meeting Thursday, June 19. The ceremony will precede the reception to the party at Washington, where they will be guests of President Hoover, the National Geographic Society and other organizations.

Admiral Byrd is an honorary member of the club and Governor Roosevelt, Mayor Walker, Colonel Lindbergh, Clarence Chamberlin, Sir Hubert Wilkins and others are expected to be present. Adolph S. Ochs, publisher of the New York Times, whose syndicate handled the reports of the Byrd expedition, will be a member of the reception committee.

Big Shoe Sign Order

Endicott-Johnson Corporation, shoe manufacturer of Endicott, New York, has contracted with Claude Neon Displays for a standardized display featuring En-Joie Health shoes trade-mark. The initial order, for 100 crystal light displays, will be offered to its 4,500 En-Joie dealers.

Republic Names Langston

J. S. Langston is now manager of the Witherow disrolling division of the Republic Steel Corporation, handling the sale and development of disrolling products. He was formerly general sales manager of the Witherow Steel Corporation, recently merged with that organization.

Radio for Results

Number 1 WHO?

A rug manufacturer—in ten weeks' time—using forty stations, with morning half-hour broadcasts weekly, induced 61,000 women to call at department stores to meet his representatives, and added 400 new desirable retailers who did not carry his line before.

*The complete story
may be secured from*

SCOTT HOWE BOWEN, Inc.

National Representatives of Radio Stations

274 Madison Avenue New York City

CHICAGO DETROIT BOSTON
180 N. Michigan Ave. Fisher Bldg. 10 High St.

IN NEXT WEEK'S ISSUE

*A hunger appeal that makes
a ten-strike*



BOOKS on advertising psychology say that hunger is one of the strongest of all appeals.

Our insert in next week's issue of this magazine shows how that appeal was used to the utmost in a display for the Doughnut Machine Corporation. Only the mouth of a dyspeptic would fail to drip at the sight of the delicious looking doughnuts shown.

This is another case where a forceful idea was made more forceful through perfect color reproduction. You can have that kind of color work by consulting with the U. S. representative. Why not talk it over?

THE UNITED STATES PRINTING
AND LITHOGRAPH CO.

Cincinnati Baltimore Brooklyn

Service offices in 16 cities

"AN ADDRESS OF DISTINCTION"



"The Crossroads of a Nation"

THE logical meeting place of those who appreciate the superlative in foods . . . elegance in accommodations. THE DRAKE Travel Bureau helps relieve you of travel detail. Rates begin at \$5 per day. Permanent Suites at Special Discounts.

**THE
DRAKE**
HOTEL, CHICAGO
Under Blackstone Management

Do You Have a Negro Market Problem ?

Recently a bank in a Northern state was faced with a changing population in its neighborhood, with possible loss of business. Negro emigrants from the South were taking the place of a foreign white group.

In order to win the support of these new family and business accounts, the bank used in its windows a large photograph of Booker T. Washington and a number of his thrift sayings, selected by the National Negro Business League. At last reports, business was "as usual."

The National Negro Business League is prepared, with facts and figures, to interpret similar problems of Negro buying power for you.

Phone or write

**NATIONAL NEGRO
BUSINESS LEAGUE**

Wisconsin 2784

Room 704, Calvert Building
145 W. 41 St., New York City

Motor Car Sales Policies Boom Johnson Boat Business in 1930

(Continued from page 486)

gram has played an important part in the success of the current campaign. Every Johnson advertisement this year has told a complete story. This has required the use of "long" copy. Advocates of advertising which tells only a part of the story in each advertisement, thus reducing the number of words, should be interested in the fact that Johnson's 1930 advertising, which can be classified as "long" copy, has by far outpulled the "short" copy of other years. It has brought a substantial increase in public inquiries direct and to dealers over a similar period in previous years, and with approximately the same expenditure.

In addition to space in national magazines, newspaper campaigns were planned for 151 metropolitan territories. Every Johnson advertisement listed the name, without charge, of each dealer in the territory. This support from the factory made it possible to get the dealers to set up their own advertising budgets based upon a percentage of their sales.

Territorial Breakdowns

But with such a drastic change in distribution methods and advertising copy, how were they to educate their salesmen as to their approach in the entirely different type of markets which must be contacted for sales of the new product? A survey of the markets had to be made, and each salesman was supplied with a complete breakdown of his territory showing dealers' quota, advertising budget and proportion of advertising appropriation to be devoted to local newspaper advertising, outdoor, direct mail, signs, etc.

Each distributor's salesmen were furnished a sales portfolio containing a visual presentation of the Johnson story to the dealer. The first section of the portfolio, dealing with "The Merchandising Opportunity," shows charts which give the increases in sales of all makes of outboard motors from 1926 to 1929. In this section is also a chart illustrating how newspapers are according outboard boating publicity. It gives the result of an investigation showing that 32 per cent of the tourists are prospects for outboard motors. It divides the market for outboard motors into four groups: sporting, consisting of fishermen and hunters; racing, comprised largely of

college and high school students; tourist and resort.

The next section shows the precision manufacturing methods employed by Johnson, and gives an impressive list of the features of Johnson outboard motors. Another chart indicates that Johnson Sea-Horse motors outsell all other outboards combined.

A page, illustrated with pictures of racers, points out that Sea-Horse motors won over 500 race victories in 1929. The official chart of the National Outboard Racing Commission is reproduced, showing the record-holding motors in each speed classification. Next are the specifications, the exclusive features, with illustrations and descriptions of motors and boats.

Helping the Dealer

The profit to be made on accessories, a typical service shop layout showing dealers how to equip for servicing a territory containing up to 1,000 motors, follows.

The section on sales promotion opens with charts showing how various family needs and luxuries are competing with outboards. The Johnson advertising program is also discussed and a complete calendar of magazine advertising shown, with a list of the 151 metropolitan newspapers used. Next come the dealers' advertising program and reproductions of dealer advertisements and typical publicity releases, which are sent to dealers for local use. An additional feature offered dealers is a monthly magazine called *Water Motoring*, which is imprinted with the dealer's name and mailed to his customers for a nominal charge.

A complete set of direct mail advertising, twenty-four-sheet posters for the dealer's use and an outline of Johnson's nation-wide posting campaign are also included.

The final section of the portfolio deals with profits, showing dealer discounts and how much must be sold to net a thousand dollars of profit. It gives actual examples of turnover of outboard motors in twenty-two marine supply companies, fifteen hardware dealers, thirty-four sporting goods dealers and shows the average turnover during the six months' selling season to be between five and six. The retail time payment plan is also

discussed, suggesting that a pamphlet is available giving more details.

A special section is included showing how the sale of outboard motors fits into the radio business by balancing summer activity in outboard motors against summer inactivity in radio and other retail businesses. A chart shows the active outboard selling season by states, so that a dealer can tell at a glance just what months of the year have a temperature of forty-five degrees or above.

Early launching of the 1930 advertising campaign has undoubtedly had an important influence on Johnson's early sales increase. Dealers have enthusiastically cooperated in the campaign. One dealer wrote: "In all of my eight years' experience I have never seen anything approaching the number of inquiries this year, even as early as December and January. I estimate them to be eight times as great to date as in former years."

Another important factor in the Johnson success and the early turnover obtained by dealers is the resale plan, put into effect through the sales promotion department. This included an advance showing of Johnson motors and boats in April and the organization of numerous Sea-Horse Motor Clubs, demonstrations, canvassing drives, etc.

Johnson Advertising

Action pictures of outboard races have played a prominent part in this year's advertising copy. New records established by Johnson motors are featured in current copy. This gave amateur sport lovers a mental picture of what could actually be accomplished and also helped to build up the confidence of both dealer and salesman by giving them concrete facts.

The success of the Johnson Motor Company's new sales and advertising program is attracting the attention of many businesses outside the outboard motor industry. It points out the effectiveness of production control by obtaining pre-season orders from dealers and distributors. It shows that when dealers are given a real profit-making opportunity, with effective resale plans for obtaining sales, they are eager to cooperate. And it may also prove, in like instances, that advertising can profitably devote less space to pleasant, entertaining language and more to salesmanship.

John Mooney, formerly with Stephen Sanford & Sons, now a part of the Bigelow-Sanford Carpet Company, has been appointed general sales manager of the Newburgh Carpet Mills, Inc., division of the Crex Carpet Company.

TO Sales and Advertising Executives who want accurate, down-to-the-minute information about

Daily Newspapers

Farm Papers

General Magazines

Business Papers

**Foreign Language and
Religious Publications**

**Radio Broadcast
Advertising Rates**

we recommend that you send for details of a plan which places this Service at your disposal for 30 days without obligation on your part.

STANDARD RATE & DATA SERVICE

The National Authority

536 LAKE SHORE DRIVE

CHICAGO

Radio for Results

Number 2

WHO?

Through a twenty-minute broadcast at noon, weekly, for 12 weeks, over Station WCCO of Minneapolis, a chick hatchery farm received 29,642 letters requesting their chick catalog. The cost was less than one cent per inquiry. Over 20 per cent of the inquiries were developed into sales by direct mail follow-up.

*The complete story
may be secured from*

SCOTT HOWE BOWEN, Inc.

National Representatives of Radio Stations

274 Madison Avenue New York City

CHICAGO DETROIT BOSTON
180 N. Michigan Ave. Fisher Bldg. 10 High St.

If you like fishing

"drop us a line" and you will hook a book on fishing now coming from the press.

*You can cover the
Mississippi Coast —
only with the Herald.*



THE DAILY HERALD

Herald Building
Gulfport

Mississippi

Herald Building
Biloxi

Sales Management Weekly Index to Motor Activity

(Average of years 1924-28, inclusive, equals 100)

Year 1930	Year 1929
Feb. 1 127	Feb. 2 147
Feb. 8 128	Feb. 9 149
Feb. 15 ... 129	Feb. 16 ... 147
Feb. 22 ... 128	Feb. 23 ... 153
Mar. 1 120	Mar. 2 150
Mar. 8 120	Mar. 9 147
Mar. 15 ... 117	Mar. 16 ... 149
Mar. 22 ... 116	Mar. 23 ... 153
Mar. 29 ... 121	Mar. 30 ... 153
Apr. 5 117	Apr. 6 148
Apr. 12 ... 119	Apr. 13 ... 150
Apr. 19 ... 122	Apr. 20 ... 157
Apr. 26 ... 123	Apr. 27 ... 155
May 3 120	May 4 155
May 10 ... 118	May 11 ... 150
May 17 ... 120	May 18 ... 149
May 24 ... 123	May 25 ... 149
May 31 ... 125	June 1 144
June 7 126	June 8 140

The exact sources of data on which the SALES MANAGEMENT Weekly Index of Motor Activity is based cannot be completely explained or disclosed for the reason that much of the information used is obtained in confidence. The computation itself is entrusted to one of the leading economists and statisticians of the automotive industry.

The principal factor involved is that of factory consumption, the data being used along this line involving approximately 25 per cent of the total production of the motor car industry. Inasmuch as production of automobiles is adjusted to retail sales at relatively short intervals of time, this index really portrays to some extent the trend of motor car retail sales as well as of motor car production. The volume of business transacted by the automotive industry, including its tremendous consumption of many and varied types of products as glass, steel, paint, cotton, copper, etc., gives this index of motor activity much significance from the standpoint of the business of the country at large. The fact that it can be obtained weekly also contributes to making it one of the most valuable indices to general business conditions that have been thus far developed.

Detroit Inaugurates National Program

"Travel and resort" copy has just been started in twenty-five newspapers of larger cities as the first step in Detroit's three-year \$1,000,000 program. About half of the entire fund has already been raised.

An industrial campaign in the business press will start this fall.

German Dealers Junk Cars

The German Automobile Dealers' Association in Berlin has organized a branch of its activities to clear the market of obsolete cars. The society is sponsored by the various dealers and in proportion to their sales return.

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display.
Cash Basis Only. Remittance Must Accompany Order.

EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service, of recognized standing and reputation, through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty years. Send only name and address for details. R. W. Bixby, Inc., 118 Downtown Building, Buffalo, N. Y.

LINES WANTED

CONTINENTAL BUYING AGENT WHO WILL handle manufacturers' lines throughout Europe on commission basis. Well connected and could furnish first-class references. Address G. Delplace, 109 Avenue Les Eglantiers, Antwerp, Belgium.

SALES PROMOTION

\$50 to \$50,000 DAILY SALES SECURED FOR our clients. This distributor took on a new specialty, retailing at \$60. His first purchase \$12. We submitted a sales program capable of national expansion. Within four years his sales were nationwide, running to \$100,000 monthly. 35 years' salesmanship-in-print experience back of our campaigns. Submit sales problems for free diagnosis. 10 years Sales Promotion Manager, Larkin Co. James C. Johnson, 119 Woodbridge Ave., Buffalo, N. Y.

SALESMEN WANTED

MEN WANTED TO SECURE ORDERS FOR us for metal frames, price cards, etc. Commission basis. Advise particulars. Write Box 240, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

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